



Daily Report

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Daily Report

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CONTENTS

12 April 1994

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Official Says Beijing Acting Against 'Illegal Migration' [XINHUA]	1
Representative to UN Speaks on Peacekeeping Operations [XINHUA]	1
Liu Huaqiu Meets Delegations at Asia-Pacific Forum [XINHUA]	1
Fetes ESCAP Delegation Heads [XINHUA]	2
Asia-Pacific Copyright Seminar Held in Kunming [Beijing TV]	2
Asia-Pacific Port State Control Committee Meets [XINHUA]	2
Sihanouk Stops in Beijing From DPRK, Departs [XINHUA]	3
International Symposium on Spark Program Closes 8 Apr [XINHUA]	3
Commentary Views Bid To Re-Enter GATT [CHINA DAILY 9 Apr]	3
XINHUA Reports Lack of Progress in U.S.-Pakistan Talks	4
Cites Talbott on Visit Success [XINHUA]	5
Gallucci To Visit PRC, ROK, Japan To Discuss DPRK [XINHUA]	5
Paper Views Development of Korean Nuclear Crisis [Hong Kong WEN WEI PO 8 Apr]	5
XINHUA Reports Serbs Comment on NATO Air Raid	6

United States & Canada

Qian Qichen Says No Confrontation With United States [XINHUA]	7
XINHUA Reports Clinton Defends Bosnia Air Strikes	7
Christopher on Possible Strikes [XINHUA]	7
XINHUA on U.S. Concern for Biological Weapons	7
Zou Jiahua Holds Talks With Alexander Haig [XINHUA]	8
Song Jian To Attend Joint Scientific Talks in U.S. [XINHUA]	8
Agriculture Minister Seeks 'Latest American Technology' [CHINA DAILY 11 Apr]	8
Article on Mutual Benefits of U.S. Investment [ZHONGGUO XINWEN SHEJ]	9

Central Eurasia

Liu Huaqing Meets Russian Chief of General Staff [XINHUA]	10
Further on Liu Meeting [XINHUA]	10
PLA Chief Holds Talks With Russian Counterpart [XINHUA]	11
Qian Qichen Meets Russian Deputy Foreign Minister [XINHUA]	11
City on Sino-Russian Border Becomes Trade Center [XINHUA]	11
China, Kazakhstan Hold Consular Talks in Beijing [XINHUA]	12
XINHUA Cites Yeltsin on U.S. Bombing in Bosnia	12
Russia Denounces NATO Bombing [XINHUA]	12

Northeast Asia

Rong Yiren Meets Japanese Economic Delegation [XINHUA]	12
South Korean President Meets Wu Xueqian [XINHUA]	13
Paper Views Chinese, U.S. Policy on Korea [Hong Kong HSIN PAO 8 Apr]	13
Ship Safety Inspections Urged for Asia-Pacific Area [CHINA DAILY 12 Apr]	15
International Strategic Studies Director Visits Japan [XINHUA]	15
Kim Tae-chung Suggests 'Package Deal' on DPRK Issue [XINHUA]	16
Mongolian Foreign Minister Visits Jiangsu Province [Nanjing Radio]	16
Cooperation Treaty Initialled [XINHUA]	16
Mongolian Newspaper Delegation Visits Shandong [Jinan Radio]	16

Southeast Asia & Pacific

Tian Jiyun Meets Australian Legislators 12 Apr /XINHUA/	17
Delegation Holds Talks /XINHUA/	17
Supervision Ministry Delegation Visits Philippines /XINHUA/	17
New Zealanders Feel PRC Has 'Greatest Growth Prospects' /XINHUA/	17

Near East & South Asia

Rong Yiren Meets Sri Lankan Chief Justice /XINHUA/	18
De Silva Meets Ren Jianxin /XINHUA/	18
Ambassador Previews Egyptian President's Visit /XINHUA/	18
Nepalese Parliamentarians Arrive in Lhasa /XINHUA/	18
Meet With Li Ruihuan /XINHUA/	18
XINHUA on Rong Yiren-Al-Qaddumi Meeting	19
Diplomat Discusses Iraq, Arms Sales To Pakistan, Korea /Cairo MENA/	19
Wang Guangying Meets Iranian Visitors /XINHUA/	19

Sub-Saharan Africa

Spokesman Extends Condolences on Leaders Deaths /XINHUA/	19
Beijing, Mauritania Sign Mineral Cooperation Agreement /XINHUA/	20
Eritrean President Meets Shanghai Vice-Mayor /XINHUA/	20
Angolan Foreign Minister Comments on Visit /XINHUA/	20
Lesotho Foreign Minister Arrives in Beijing /XINHUA/	20
Further on Visit /Maseru Radio/	20
'News Analysis' Views Status of South African Elections /XINHUA/	21

West Europe

Reportage on Portuguese Prime Minister's Visit	21
Meets With Li Peng /XINHUA/	21
Meets With Rong Yiren /XINHUA/	22
Good Relations Stressed /Lisbon TV/	22
XINHUA Reports Talks, Loan Agreement	23
Zou Jiahua Meets Hungarian Delegation /XINHUA/	24
Minister on Opportunities, Debt /Budapest Radio/	24
Albanian Parliament Speaker Praises Market Economy /XINHUA/	24
Parliament Speaker Departs /XINHUA/	25
China, Croatia Sign Agreement on Science Cooperation /XINHUA/	25
Shanghai Delegation Leaves Milan for Hamburg /Shanghai Radio/	25
Technology Exchange Fair Opens /Shanghai Radio/	25
Shanghai Awards Traffic Planning Contract to UK Firm /XINHUA/	25
Turkish Official Previews President's Visit /XINHUA/	25
Spokesman on Visit Postponement /XINHUA/	26
Chinese, Turkish Trade Officials Meet /XINHUA/	26
Jiang Zemin, Zhu Rongji Meet France's Balladur /XINHUA/	26

Latin America

Reportage on Chi Haotian's Latin American Visit	27
Meets With Brazilian President /XINHUA/	27
Departs for Uruguay /XINHUA/	27
Arrives in Uruguay /XINHUA/	28
Welcomed by Defense Minister /XINHUA/	28
Hu Jintao To Visit Latin American Countries /XINHUA/	28

NATIONAL AFFAIRS

Political & Social

Rong Yiren, Intellectual Property Leader Meet [Beijing Radio]	29
Li Tieying Urges Further Development of Sports [XINHUA]	29
Hu Jintao Urges Study of Deng Xiaoping's Works [XINHUA]	29
Peng Peiyun Stresses Family Planning Work in Hainan [XINHUA]	30
Li Lanqing Notes Successes in Antismuggling Campaign [Beijing Radio]	30
Commentary Condemns Mob Attacks Against Inspectors [XINHUA]	30
State Price Inspection in Liaoning [Shenyang Radio]	31
Li Xiaoshi Convicted for Corruption, Bribe Taking	31
Former Vice-Minister Gets 20 Years [XINHUA]	31
Further on Dismissal [XINHUA]	32
Former Company Head Executed for Corruption, Bribery [XINHUA]	32
Beijing 'Tightening Control Over Dissidents' [Hong Kong LIEN HO PAO 8 Apr]	33
Wei Jingsheng Reportedly Treated 'Inhumanely' [Hong Kong MING PAO 8 Apr]	33
Xi Yang's 12-Year Term for 'Spying' [ZHONGGUO TONGXUN SHE]	34
XINHUA Details Xi Yang's Case	34
'Special Article' Views Xi Yang Case [ZHONGGUO TONGXUN SHE]	36
MING PAO Reacts to XINHUA Report on Xi Yang [Hong Kong MING PAO 12 Apr]	37
Editorial: Xi Yang Case 'Internal Affair' [Hong Kong TA KUNG PAO 8 Apr]	38
Shanghai Rejects Legal Status for Human Rights Group	
[Hong Kong SOUTH CHINA MORNING POST 12 Apr]	39
Article Views Political Dissidents Arrests [Hong Kong HONGKONG STANDARD 12 Apr]	39
Commentator's Article Praises 'Spiritually Rich' [RENMIN RIBAO 11 Apr]	40
'Leading Beijing Scholar' Views Political Reform [Hong Kong EASTERN EXPRESS 12 Apr]	41
Book on Communist Party History Published [XINHUA]	42
Meaning of Deng Remark on Development Studied	
[Hong Kong CHING CHI TAO PAO 28 Mar]	42
Institute Studies Ideological, Political Work [XINHUA]	44
'Major Progress' Made in Copyright Protection [Beijing Radio]	45

Science & Technology

Exploitation of Applied Satellite Technology [ZHONGGUO XINWEN SHE]	45
Scientific Vessel Leaves on 8-Month Pacific Mission [XINHUA]	46

Military

Liu Huqing Views Spirit of NPC Session [JIEFANGJUN BAO 23 Mar]	46
PLA's Fu Quanyou Meets ICMM Official [XINHUA]	47
Xinjiang PLA Soldiers Arrest 'Criminals' [Beijing Radio]	48

Economic & Agricultural

RENMIN RIBAO on Fight Against Corruption [XINHUA]	48
Cities Selected as Pilots for Comprehensive Reform [XINHUA]	49
State Council Circular on Price Inspection	49
Resolution on Taxation of Foreign Firms Published [CHINA DAILY 10-16 Apr]	51
Bank of China To Expand London Branch [CHINA DAILY 10-16 Apr]	52
First 'Investment Fund' Listed in Shenzhen [CHINA DAILY 10-16 Apr]	52
CCTV Program on Special Trade Taxes	53
Program Notes How To Fill Out Tax Documents [Beijing TV]	54
'Key Points' of Confidential Policy on Auto Industry [CHINA DAILY 10-16 Apr]	55
Oil Industry Official Interviewed on Reserves [CHINA DAILY 10-16 Apr]	56
Article Analyzes Rural Labor Exodus [Ban Yue Tan 25 Feb]	57

REGIONAL AFFAIRS

East Region

Fu Xishou Discusses Propaganda Work at Meeting [ANHUI RIBAO 6 Mar]	59
Fujian Governor Reports 'Rapid Economic Growth' [XINHUAJ]	60
Jia Qinglin on Fujian's Construction Plans [XINHUAJ]	60
Fuzhou Increases Protection of Foreign Firms [ZHONGGUO XINWEN SHE]	61
Xiamen People's Congress Set To Pass First Law [Hong Kong SOUTH CHINA MORNING POST 11 Apr]	61
Jiangsu Province Procedures for Trade Union Law [XINHUA RIBAO 5 Mar]	61
Jiangxi Uses Overseas Funds for Economic Recovery [XINHUAJ]	64
Jiangxi Launches Drive To Sow Quality Seeds [XINHUAJ]	65
Shandong Formally Sets Up Jining Customhouse [DAZHONG RIBAO 31 Mar]	65
Shanghai's Population Decrease Leads Major Cities [XINHUAJ]	65
Shanghai Surrounded by 'Rich Rural Villages' [XINHUAJ]	65
'Privately Owned Economy' in Zhejiang Develops [ZHONGGUO XINWEN SHE]	66
Hangzhou Launches Road Construction Projects [XINHUAJ]	66

Central-South Region

Guangdong Governor on Importance of Rural Work [Guangzhou Radio]	67
Shenzhen Ranks Fifth in Economic Strength [XINHUAJ]	67
Shantou SEZ Develops Export Labor Service [XINHUAJ]	67
Guangzhou Blueprint for Environmental Problems [XINHUAJ]	68
Home of Guangdong's Security Chief 'Ransacked' [Hong Kong CHENG MING 1 Apr] Security Chief Responds to Rumor [Hong Kong TA KUNG PAO 6 Apr]	68
Guangdong Peasants 'Riot' Over Land Compensation [Hong Kong MING PAO 11 Apr]	69
Guangxi Secretary Addresses Rural Work Conference [Nanning Radio]	69
Guangxi Promoting Capital Construction [XINHUAJ]	70
Hubei Farmers Gain Support From 'Market Advisors' [XINHUAJ]	70
Hunan Secretary Comments on Study of Deng's Works [Changsha Radio]	71
Waterway in Hunan To Increase Traffic Capacity [XINHUAJ]	71

Southwest Region

Guizhou Secretary Speaks on Anticorruption Work [Guiyang Radio]	71
Beijing Exploring Guizhou River Power Energy [XINHUAJ]	72
Sichuan Governor at Commodities Fair Opening [Chengdu Radio]	72
Sichuan Meets on Anticorruption Work Results [Chengdu Radio]	73
Sichuan Farmers Change Concept of Marriage [XINHUAJ]	73
Foreign Firms Proliferate in Sichuan Province [Tokyo KYODO]	74
Tibet River Development Yields 'Good Returns' [XINHUAJ]	74

North Region

Beijing Mayor Outlines Infrastructure Plans [XINHUAJ]	75
Beijing To Accelerate Market Economy Development [XINHUAJ]	75
Beijing Targets 10 Percent GDP Growth for 1994 [CHINA DAILY 9 Apr]	75
Beijing Inflation Rate Reaches 23 Percent [ZHONGGUO XINWEN SHE]	76
Over 95,000 Beijing Families To Get New Homes [XINHUAJ]	76
Overseas Business Agencies in Beijing Exceed 5,000 [XINHUAJ]	77
Hebei Secretary on Vegetable Basket Project [HEBEI RIBAO 30 Mar]	77
Foreign Funds Help Improve Hebei Medical Care [XINHUAJ]	78
Inner Mongolia Invests in Telecommunications [XINHUAJ]	78
Shanxi Store Employees Attack Price Inspectors [XINHUAJ]	78
Tianjin People's Court Work Report Presented [TIANJIN RIBAO 24 Mar]	79
Tianjin Construction Project in 'Full Swing' [XINHUAJ]	84

Northeast Region

Heilongjiang Official Seeks Stable Grain Price	<i>[Harbin Radio]</i>	85
Jilin Secretary Discusses United Front Work	<i>[Changchun Radio]</i>	85
Liaoning Defines Tasks for Economic System Reform	<i>[Shenyang Radio]</i>	86
Liaoning Seizes Illegal Mobile Telephones	<i>[Shenyang Radio]</i>	86
Liaoning Makes Progress in Price Reform	<i>[LIAONING RIBAO 25 Mar]</i>	86
Liaoning To Launch Water Resources Campaign	<i>[XINHUAJ]</i>	87
Dalian Cracks Down on Cigarette Smugglers	<i>[Shenyang Radio]</i>	87

Northwest Region

Gansu Discipline Commission Convenes Enlarged Session	<i>[Lanzhou Radio]</i>	87
Gansu Establishes Five Nonferrous Metal Bases	<i>[XINHUAJ]</i>	88
Ningxia Region's Environmental Efforts Reported	<i>[XINHUAJ]</i>	88
Qinghai Emphasizes Protecting Power Installations	<i>[Xining Radio]</i>	88
Qinghai To Boost Telecommunications Development	<i>[XINHUAJ]</i>	89
Qinghai Township, Town Enterprise Conference Ends	<i>[Xining Radio]</i>	89

TAIWAN

Government Reacts To U.S. Sanctions for Wildlife	90
Presidential Office Comments	<i>[CNAJ]</i>	90
Ministry Expresses 'Deep Regret'	<i>[CNAJ]</i>	90
Representative to U.S. Responds	<i>[CNAJ]</i>	90
Minister, GATT Director-General View Taipei Entry	<i>[CNAJ]</i>	91
Economic Minister on Avoiding Super 301 Action	<i>[Taipei LIEN HO PAO 2 Apr]</i>	91
MAC Suspends Cross-Straight Cultural Activities	<i>[CNAJ]</i>	92
Ministry: Cross-Straight Trade Exchanges 'on Hold'	<i>[CNAJ]</i>	92
Taipei, Beijing Agree To Talks on Tourism	<i>[CNAJ]</i>	92
Premier on Commitment to No Nuclear Weapon Development	<i>[CNAJ]</i>	93

HONG KONG & MACAO**Hong Kong**

XINHUA Official Says Xi Case 'Brooks No Interference'	<i>[Hong Kong TA KUNG PAO 10 Apr]</i>	94
Columnist Calls Case Warning	<i>[Hong Kong HONGKONG STANDARD 12 Apr]</i>	94
Editorial Upholds Verdict	<i>[Hong Kong WEN WEI PO 9 Apr]</i>	95
Local NPC Delegates Disagree	<i>[Hong Kong HONGKONG STANDARD 12 Apr]</i>	96
Local NPC Delegates To Petition	<i>[Hong Kong SOUTH CHINA MORNING POST 11 Apr]</i>	96
Publisher Wants Legal System Reform	<i>[Hong Kong SOUTH CHINA SUNDAY MORNING POST 10 Apr]</i>	97
Group of Hong Kong Affairs Consultants Chosen	<i>[XINHUAJ]</i>	98
Choice of Advisers Examined	<i>[Hong Kong SOUTH CHINA MORNING POST 12 Apr]</i>	98
Appointments Criticized	<i>[Hong Kong SOUTH CHINA MORNING POST 12 Apr]</i>	98
Editorial Offers Qualified Praise	<i>[Hong Kong SOUTH CHINA MORNING POST 12 Apr]</i>	99
'Analysis' Examines Beijing's 'Ploy'	<i>[Hong Kong EASTERN EXPRESS 12 Apr]</i>	100
Editorial Views Choice of Advisers	<i>[Hong Kong EASTERN EXPRESS 12 Apr]</i>	101
PRC May Restrict Eligibility for Appeals Court	<i>[Hong Kong EASTERN EXPRESS 9 Apr]</i>	102
Secret Mafia Accounts Said Set To Be Exposed	<i>[Hong Kong SOUTH CHINA MORNING POST 9 Apr]</i>	102

General

Official Says Beijing Acting Against 'Illegal Migration'

*OW1104152994 Beijing XINHUA in English 1456
GMT 11 Apr 94*

[Text] Canberra, April 11 (XINHUA)—A Chinese delegate said today that China "has always pursued a policy of opposing illegal migration and trafficking."

Feng Shibin, Chinese delegate and counsellor of the Chinese Embassy in Australia, made the remarks at a two-day informal regional consultation on illegal migration held here today.

The consultation, hosted by the Australian Department of Immigration, offers a forum to exchange views and information on the problem of illegal migration in the region.

Feng said that the Chinese Government has adopted a series of effective measures to prevent illegal migration, including the strengthening of legislation, the strict law enforcement, education and economic development.

He described the illegal migration as an "international problem," which he said "can not be solved by any single country."

"The Chinese Government is willing to cooperate with other countries in the effort to prevent illegal migration," he stressed.

China, he said, maintains that all countries should further increase their cooperation on the basis of mutual respect and equal consultation.

Feng concluded that "normal exchanges of personnel should be guaranteed" while cracking down on illegal migration and normal contacts between people in different countries should be encouraged and facilitated.

The consultation was attended by delegates from 17 nations of the region and the office of the United Nations High Commissioner for Refugees.

Representative to UN Speaks on Peacekeeping Operations

OW0804210694 Beijing XINHUA Domestic Service in Chinese 0827 GMT 5 Apr 94

[Unattributed report]

[Text] United Nations, 5 Apr (XINHUA)—In addressing the UN Special Committee on Peacekeeping Operations on 5 April, Chinese representative Zhang Yan said that it is important and timely for the committee to reexamine the issue in all aspects at this critical hour so as to sum up experiences and seek improvements.

Zhang Yan said: Peacekeeping operations, as an important means employed by the United Nations to safeguard international peace and security, play a useful role in preventing the expansion of conflicts and promoting the settlement of disputes; and the actions have received worldwide attention. However, because of the need to expand peacekeeping operations rapidly, they are confronted with many new problems.

He said: The Chinese delegation maintains that the urgent task for the United Nations is, under the guidance of its charter, to draw up a set of universally acceptable and effective guiding principles so that peacekeeping operations will have a solid political and legal foundation. The issue that needs a priority solution is that peacekeeping operations must strictly abide by the aims and principles of the UN Charter so that the operations can maintain a correct political orientation; peacekeeping operations must adhere to settling disputes by peaceful means and the nonuse of force; and the UN Security Council must be cautious in making decisions and it must safeguard the United Nations' initiative and leading role in peacekeeping operations.

According to a report, the United Nations has been engaged in 17 peacekeeping projects, and 71,816 soldiers and policemen from 70 countries are carrying out peacekeeping missions in hot spots around the world.

Peacekeeping budgets and expenditures have also grown substantially along with the increase in peacekeeping missions. Reports say that the expenses for peacekeeping operations during the 1986-91 period were approximately \$380 million per year on average but that expenses soared to \$1.73 billion in 1992 and to approximately \$3.6 billion in 1993.

Liu Huaqiu Meets Delegations at Asia-Pacific Forum

OW1104094694 Beijing XINHUA Domestic Service in Chinese 1410 GMT 8 Apr 94

[By reporter Li Jiasheng (2621 1367 5116)]

[Text] New Delhi, 8 Apr (XINHUA)—Julius Chan, Papuan New Guinean deputy prime minister and minister of finance and planning who has been heading the Papua New Guinean delegation to the 50th annual meeting of the Asian-Pacific Economic and Social Council, met with Liu Huaqiu, Chinese vice foreign minister and head of the PRC delegation, here today.

Julius Chan said: Papua New Guinea and China share many similarities and common interests. Since the establishment of diplomatic relations, the two countries have scored notable achievements in bilateral cooperation, especially in economics and trade. The prospects for further cooperation between the two countries are great. The Papua New Guinean Government is willing to strengthen cooperation, expand exchange, and establish all-around mutually beneficial friendly and cooperative relations with China. He added that the Papua New

Guinean Government will continue to implement the "One China" policy and hopes the Chinese people will accomplish the great cause of motherland reunification at an early date.

Liu Huaqiu said: It is China's established policy to strengthen and develop friendly and cooperative relations with Papua New Guinea and other South Pacific nations. We are happy to see more and more South Pacific countries adopt the strategy of "integrating with Asia" and attach great importance to developing relations with China. China is willing to expand cooperation with them on the basis of the five principles of peaceful coexistence, and we believe there are broad prospects for cooperation.

On 7 April, Liu Huaqiu also met with Serge Vohor, head of the Vanuatu delegation who is the minister of economic affairs and tourism; as well as heads of the Bangladesh and Sri Lankan delegations.

Fetes ESCAP Delegation Heads

OW0904205494 Beijing XINHUA Domestic Service in Chinese 1434 GMT 6 Apr 94

[By reporter Li Jiasheng (2621 1367 5116)]

[Text] New Delhi, 6 Apr (XINHUA)—Vice Foreign Minister Liu Huaqiu, head of the Chinese delegation attending the 50th annual convention of the UN Economic and Social Commission for Asia and the Pacific [ESCAP], hosted a banquet at the Chinese Embassy in India this evening in honor of the heads of other countries' delegations attending the meeting.

During the banquet, the host and his guests exchanged views on the international and regional situation, economic development and cooperation in the Asia-Pacific region, South-South cooperation, and North-South dialogue, as well as issues concerning GATT.

This year's annual convention opened on 5 April. Today, representatives to the meeting took the floor on the two major topics of discussion—"Asia-Pacific Region's Recent Economic and Social Development and Their Influence" and "Infrastructure Construction Is the Key to Economic Growth and Regional Economic Cooperation"—and conducted feasibility studies of certain policies. Representatives of Pakistan, Thailand, Japan, and Australia took the floor at the meeting. Representatives of China, India, and Korea yesterday stated their countries' positions and views on the aforementioned issues. Representatives will continue to comment on these issues tomorrow.

Asia-Pacific Copyright Seminar Held in Kunming

OW0804131294 Beijing Central Television Program One Network in Mandarin 1100 GMT 26 Mar 94

[From the "National News Hookup" program]

[Text] Jointly organized by the State Press and Publications Administration and the United Nations World Intellectual Property Organization, an "Asia-Pacific Regional Seminar on Copyright Protection and Economic and Cultural Development" was held in Kunming on 24 March. More than a hundred representatives from over a dozen Asia-Pacific nations attended the meeting. Currently, as Asian countries are attaching greater importance to the protection of intellectual property rights, including copyrights, the establishment and perfection of intellectual property rights protection is very important. This meeting will play an active role in promoting copyright undertakings among Asian countries, and copyright exchanges and cooperation among nations. [video opens with a long shot of a conference room full of people; it cuts to show closeups of some unidentified participants, two of whom are speaking.]

Asia-Pacific Port State Control Committee Meets

OW1104141094 Beijing XINHUA in English 1256 GMT 11 Apr 94

[Text] Beijing, April 11 (XINHUA)—The first meeting of the Asia-Pacific Port State Control Committee (PSCC) was opened here today.

Participating in the meeting are representatives from the 16 Asia-Pacific port countries and regions who signed the Asia-Pacific Memorandum of Understanding on Port State Control (AP-MOU), as well as representatives from six international agencies and maritime authorities, who have been invited as observers of the meeting.

The AP-MOU, signed in December 1993 in Tokyo, is a regional agreement for cooperation among Asia-Pacific coastal countries and regions to ensure maritime safety and prevent ocean pollution caused by ships. It's the third regional cooperative mou on port control in the world, following the paris and latin American mous in this field.

So far 16 countries and regions have signed the AP-MOU, namely, China, Japan, Canada, Australia, Indonesia, Republic of Korea, Malaysia, New Zealand, Papua New Guinea, the Philippines, Russia, Singapore, Hong Kong, Solomon Islands, Thailand and Vanuatu.

Authorities of these signatory nations will use the AP-MOU to survey and inspect foreign-flagged ships which anchor in their ports, in accordance with related international maritime safety and pollution-prevention conventions. This aims to control and gradually eliminate low-standard ships from merchandise transport so as to ensure maritime safety and oceanic environmental protection.

Sources from the Chinese Ministry of Communications, which is in charge of the country's maritime affairs, said that as early as 1987 the bureau of harbor superintendency of China began to carry out demonstrations on port control affairs, and to date the work has been extended to 12 ports.

Sihanouk Stops in Beijing From DPRK, Departs
*OW0804132394 Beijing XINHUA in English 1246
GMT 8 Apr 94*

[Text] Beijing, April 8 (XINHUA)—Cambodian King Norodom Sihanouk and Queen Norodom Monineath Sihanouk stopped over here today on his way back home from Pyongyang, capital of the Democratic People's Republic of Korea (DPRK).

Among those greeting and seeing the king and queen off at the airport were Chinese Assistant Foreign Minister Wang Yingfan and diplomatic envoys from Cambodia and DPRK to China.

International Symposium on Spark Program Closes 8 Apr

*OW0904110994 Beijing XINHUA in English 0857
GMT 9 Apr 94*

[Text] Hangzhou, April 9 (XINHUA)—The Spark Program has been very fruitful since it was launched eight years ago.

More than 14 million experts in different fields have been trained in 367 state and 173 provincial centers, who have played a key role in the development of rural economy, especially in the coastal provinces.

Some 50,000 projects have been implemented through the program, covering 85 percent of the country's counties. Half of the projects have generated obvious economic and social profits.

These were revealed at an international conference on China's Spark Program, which ended in this capital of Zhejiang Province Friday [8 April].

The conference was jointly sponsored by the SCST (State Commission for Science and Technology), the Ministry of Foreign Trade and Economic Cooperation and the U.N. Development Program. Participating were delegations from 18 countries and from 17 provinces in China.

The Spark Program was launched eight years ago, aimed at spreading modern farming techniques and train technical personnel for both farming and industrial enterprises.

Experts attended the conference agreed that the shift of focus in the program will make rural enterprisers to be "ready for the market economy and world economic competition" in the country's better off coastal areas, in addition to training more technicians and experts in certain lines of production.

"Technical training and product development will be combined in the process to better transform science into productivity," a SCST official said.

In the less developed inland rural regions in the country, the program will center on promoting production and

product development based on their local natural resources, according to the SCST.

The SCST and local science and technology commissions will help to establish more pilot group companies in the countryside, whose annual output value will hit 100 million yuan (11.63 U.S. dollars), and generate an output value of more than 10 million yuan a year. Some 100 such companies have already been established through the program.

The SCST cited Li Lianzhi as an example. Li, now president of Tianjin driving school, used to be a farmer peddling vegetables. After being trained in the spark program, he now possesses 4 research institutions, 89 branch companies and 35 enterprises, whose annual output value has reached 100 million yuan.

The Spark Program provided township enterprises with easily applicable technologies and better management expertise, the SCST said.

It is also conducive to narrowing the gap between the rural and urban areas and between the coastal and inland economies, experts said.

Groups of technicians in research institutions and universities were organized by the state and local science and technological commissions to spread technologies, solve technical problems and launch technical projects for the rural and inland regions in winter or summer vacations and holidays.

Brought to the farmers are not only advanced and easily applicable technologies, but also new bio-technology.

"Farmers have come to realize the importance of science and technology in farming, livestock and fish breeding, and running enterprises," a scst official said.

As a result, many training centers and research institutions have been established spontaneously by the farmers-turned entrepreneurs, the official said.

Commentary Views Bid To Re-Enter GATT

*HK1004080494 Beijing CHINA DAILY in English
9 Apr 94 p 4*

[Commentary: "GATT Re-Entry"]

[Text] A Chinese delegation left for Morocco yesterday to attend a meeting of the General Agreement on Tariffs and Trade (GATT). Along with other participants, it will sign the Final Act of the Uruguay Round negotiations and the Agreement on the Establishment of the World Trade Organization (WTO).

This means that China, which has taken part in the Uruguay Round world trade negotiations, undertakes to fulfill all the obligations stipulated in the Uruguay Round package and further open its markets to its trade partners. These steps will help to strengthen the world's

INTERNATIONAL AFFAIRS

FBIS-CHI-94-070
12 April 1994

multilateral trading system as represented by the WTO, coming into being next year.

China has long sought to resume its status as a contracting party of GATT. Moreover, the relevant talks must be concluded successfully before WTO is formally established so that China can be a founding member of the international trade body. China's application to re-enter the organization has received the backing of most of GATT's members.

But the talks have continued for eight years and regrettably with no conclusive result so far.

In order to speed up the talks, China has displayed great sincerity and complied with the agreements of the Uruguay Round negotiations.

Meanwhile, China has taken steps to integrate its trade and economy with those of the rest of the world. One example is the market-based pricing system being instituted in China, one of the principal demands of GATT. And China has promised to further perform its duties in boosting an open market even after it re-enters GATT.

However, China is a developing country. Our government is quite right to reject the demand made by certain nations, that China undertake the same commitments in GATT as a developed country. For that is far above the actual level of China's economic development.

From an all-round perspective, now China is basically qualified to resume its status in GATT and become a founder member of WTO.

Pursuing a policy of opening to the rest of the world, China has witnessed the rapid growth of its trade and economy in recent years. It deserves a due place in the world multilateral trading system. Without the participation of China, a nation with one fifth of world's population and a dynamic growth rate, the WTO cannot claim universal membership.

GATT members should remember that delaying China's re-entry into GATT will be in no one's interest. If this happens, China will provide market access on a reciprocal basis.

It is our hope that under the principle of an exchange based on equality and mutual benefit, most of GATT's signatories will take measures to enable China to re-enter GATT at an early date and to become a founder member of the WTO.

XINHUA Reports Lack of Progress in U.S.-Pakistan Talks

OW1004101694 Beijing XINHUA in English 0920 GMT 10 Apr 94

[“Roundup”: “No Concrete Result From Pak-U.S. Nuclear Talks”]

[Text] Islamabad, April 10 (XINHUA)—The talks between a senior U.S. official and Pakistani leaders on the nuclear issue and F-16 aircraft Saturday [9 April] produced no concrete results with both sides sticking to their respective positions.

However, the two sides termed the dialogue as “productive” and agreed to continue the talks at various levels through “quiet diplomacy.”

Speaking at a press conference here Saturday, U.S. Deputy Secretary of State Strobe Talbott said he had a “more productive” dialogue on important issues including nuclear non-proliferation with Pakistani leadership.

“This dialogue will continue as we search for ways to make more substantial and bilateral progress to advance our goals in the region as a whole,” he said.

Talbott, who flew into Islamabad from New Delhi on Friday as part of the U.S.’ effort to “rid South Asia of nuclear weapons,” brought two proposals regarding the verifiable capping of Pakistan’s nuclear program in exchange for F-16s and the convention of a multilateral conference on nuclear non-proliferation and regional security in South Asia.

He spent a busy day Saturday, meeting President Farooq Leghari, Prime Minister Benazir Bhutto, Foreign Minister Sardar Asif Ahmad Ali, officials of Foreign Office as well as some opposition leaders.

“Pakistan reiterated its position of not accepting unilateral capping of its nuclear program and called for an equitable and balanced approach towards non-proliferation in South Asia,” said a Foreign Office spokesman Saturday while briefing newsmen about the wide-ranging talks with Talbott.

“Unilateral capping of nuclear program is not acceptable and that remains our position,” he reaffirmed.

Pakistan has been insisting that it would not unilaterally open its nuclear facilities for inspection unless the same is done by India, a neighboring country with which it had fought three wars since 1947.

Talbott, on his part, stressed at the press conference that F-16s is a part and parcel of the U.S. initiative to secure a verifiable cap of Pakistan’s nuclear program.

“The status of F-16s and our proposal about capping of Pakistan’s nuclear program are obviously tied up together and they will be considered together,” he claimed.

Washington suspended all its military and economic aid to Pakistan in October 1990 under Pressler Amendment on suspicion that Pakistan has developed a nuclear device which Pakistan denied.

Pakistan’s nuclear program also triggered U.S. refusal to deliver those F-16s which Pakistan had already paid for.

Meanwhile, in a statement issued Saturday, Nawaz Sharif, the country's main opposition leader, also rejected any inspection and verification of Pakistan's nuclear program, saying these will be tantamount to a rollback.

Cites Talbott on Visit Success

*OW1004123994 Beijing XINHUA in English 1123
GMT 10 Apr 94*

[Text] Islamabad, April 10 (XINHUA)—U.S. Deputy Secretary of State Strobe Talbott today termed his visit to Pakistan as a "complete success," saying it laid down the basis for moving ahead in positive direction on a variety of issues.

He was talking to newsmen at Chaklala airbase near Islamabad prior to his departure after ending a three-day visit to Pakistan.

"I have a high degree of optimism that we will be able to achieve concrete results in the future that will serve the security and political interests of Pakistan," he said.

He said Pakistan and the United States will pursue their approach towards nuclear non-proliferation in South Asia.

Talbott flew into Islamabad Friday [8 April] from New Delhi as part of Washington's efforts to "rid South Asia of nuclear weapons."

He met President Farooq Leghari, Prime Minister Benazir Bhutto, Foreign Minister Sardar Asif Ahmad Ali and senior Foreign Office officials and discussed with them a wide-range issues including nuclear non-proliferation.

Meanwhile, talking to journalists today after seeing off Talbott, Foreign Secretary Najmuddin A. Sheikh said Pak-U.S. dialog on nuclear issue will continue but the dates for the next round of talks has not be scheduled yet.

Pakistan still believes in a nuclear free South Asia but calls for a balanced and regional approach on this issue, he said.

"There is no question of unilateral agreement on the nuclear issue," he said.

Gallucci To Visit PRC, ROK, Japan To Discuss DPRK

*OW1104234194 Beijing XINHUA in English 2209
GMT 11 Apr 94*

[Text] Washington, April 11 (XINHUA)—U.S. Assistant Secretary of State Robert Gallucci will leave here tomorrow for a visit to China, South Korea and Japan, the State Department announced here today.

Department Spokesman Mike McCurry told a regular news briefing that in all the three capitals, Gallucci

"plans to meet with government officials to discuss the North Korean nuclear issue and international efforts to resolve it."

"We will continue what has been a very extensive dialogue with all three governments on that issue," McCurry said.

Gallucci is the chair of the U.S. administration's senior policy steering group on Korea.

Asked what he is going to talk to the Chinese about in Beijing, McCurry said that "they'll talk about everyone's understanding of the inspections and the report that the IAEA (the International Atomic Energy Agency) is looking at."

They will also discuss "the diplomatic efforts that have been underway at the United Nations," the spokesman added.

Gallucci will join U.S. Defense Secretary William Perry in Seoul on April 17 and then he will accompany Perry to Tokyo on April 20.

Paper Views Development of Korean Nuclear Crisis

*HK1104103194 Hong Kong WEN WEI PO in Chinese
8 Apr 94 p a4*

["Special article" by staff reporter Chiu I (5941 3015) in Shanghai: "Whither Will Nuclear Crisis on Korean Peninsula Go?"]

[Text] Shanghai, 6 Apr (WEN WEI PO)—On 4 April, the DPRK rejected the recent statement made by the UN Security Council chairman. The statement urged the DPRK to fulfill the nuclear safety accord and to allow International Atomic Energy Agency [IAEA] inspectors to complete the activities prescribed by the agreement reached between the agency and the DPRK last 25 February. A DPRK Foreign Ministry spokesman said: Since the DPRK is in the special position of temporarily suspending its withdrawal from the Nuclear Non-Proliferation Treaty, it is "utterly unjustifiable" to ask the DPRK to fulfill the nuclear safety accord and to accept additional inspections. On the other hand, the DPRK urged the United States to stop exerting pressure on it and to settle the nuclear problem on the Korean Peninsula through dialogue between the two countries. This move by the DPRK undoubtedly made the "nuclear crisis" on the peninsula even more subtle.

The United States Is Determined To Exercise a War Deterrent

Zhuang Jianzhong, senior analyst in international strategy and researcher at the Shanghai International Strategy Institute, while analyzing the case, said: As far as the United States is concerned, the main purpose and direct effect of bullying the DPRK is to guard against nuclear proliferation. The chief U.S. strategic consideration since World War II is that the greatest threat to the

United States comprises nuclear weapons. Hence, the United States is extremely sensitive to the issue of nuclear proliferation. Following the disintegration of the Soviet Union, the CIS no longer trains its nuclear weapons on the United States, thus eliminating the greatest U.S. nuclear enemy. Hence, the United States holds that, with the end of the Cold War, the fact that extremist countries in some regions may possess nuclear weapons poses the greatest threat to the United States. Therefore, its chief task is to ban nuclear development in these countries.

The abovementioned reason also explains the uncompromising stand by the United States on the DPRK nuclear issue. Meanwhile, the United States attaches great importance to stability in the East Asian region, which is the key part of Asia as well as an important component of the U.S. Asian-Pacific strategy, whereas the DPRK nuclear issue has become the serious hidden danger to the United States. As far as the political aspect is concerned, the United States intends to play a leading role in Northeast Asia and to show that both Japan and the ROK need U.S. support.

The United States is resolute in bullying the DPRK into accepting nuclear inspection. As far as the U.S. military strategy is concerned, the 1970's theory of brinkmanship has changed into the theory of war deterrent in the 1980's and 90's. The United States holds that, apart from wielding military pressure to achieve results just as it did during the Cuban missile crisis, it can also resort to direct military operations as it did in Grenada and Panama. According to a report published by THE WASHINGTON POST on 31 March, U.S. Defense Secretary Perry said that the United States would try its best to prevent the DPRK from developing nuclear weapons, even at the risk of waging a war.

Viewed from a deeper angle, the DPRK in U.S. is the most hardline communist stronghold and the United States wants to compel the DPRK to give in through this incident.

China in a Decisive Position

China also hopes for a stable and denuclearized Korean Peninsula. China can be described as occupying a decisive position and having a great and unprecedented say in this matter because it interacts with both the DPRK and the United States. Jiang Zemin and Li Peng remarked separately on this matter, expressing the hope that the nuclear issue could be settled through peaceful talks between the DPRK and the United States. This has been very rare in previous regional conflicts and the fact that the UN Security Council adopted the chairman's statement as proposed by China also shows how influential China is. By comparison, Russia does not have much influence on it.

In Zhuang Jianzhong's view, the DPRK does not really want to wage war with the ROK and the United States because its national power is too poor. At present, the DPRK still wants to upgrade its diplomatic standing by

establishing ties with the United States and engaging in talks with them. It is then looking forward to receiving economic aid from others.

The DPRK To Consent To Reexamination

To sum up, squabbles and conflicts might arise but everything depends on the development of the situation. At present, the U.S. announcements to deploy Patriot missiles in the ROK and to conduct joint military exercise with the ROK are just responsive actions, far removed from waging war against the DPRK. According to Zhuang Jianzhong, the DPRK will finally accept the UN Security Council's request to reexamine its nuclear facilities, as long as it is done in a dignified manner.

XINHUA Reports Serbs Comment on NATO Air Raid

*OWI204072894 Beijing XINHUA in English 0653
GMT 12 Apr 94*

[Text] Belgrade, April 11 (XINHUA)—Bosnian Serbs claimed tonight that Serb forces have successfully repulsed today's NATO air raid and Muslim offensive against Serb positions in the Gorazde area.

It was reported that following Sunday's air raid by two U.S. F-16 war planes on the Serb positions southwest of Gorazde, two U.S. F-18 jets carried out another bombardment of these positions this afternoon.

A statement issued by the general staff of the Bosnian Serb forces confirmed the second NATO air strike and said it was accompanied by an offensive by the Muslim Army.

However, it added, the Serb Army repelled "the enemy's powerful assaults" and held their positions.

It also said a NATO C-130 transport, landing on Tezla Airport this afternoon, carried NATO rapid reaction force units and a lot of weapons and ammunition.

The Serb general staff learned from reliable sources that the troops, from the NATO base in Frankfurt, will fight alongside Muslim soldiers against the Serbs.

These facts showed that the UN Protection Force (UNPROFOR) here has stepped over its peacekeeping mandate and will thus be held responsible for the further escalation of the Bosnian war, the statement stressed.

Momcilo Krajisnik, speaker of the Bosnian Serbs' parliament, told the newspaper "POLITIKA" that NATO's second air raid indicated that the UN is deliberately helping the Muslims in their spring offensives in the Gorazde area.

Yasushi Akashi, the UN chief representative in former Yugoslavia, explained to the press in Zagreb today why he twice asked the NATO to bomb Serb positions.

He said that the Bosnian Serb Army had repeatedly attacked downtown Gorazde and caused heavy losses and casualties there.

He had no choice but to request NATO air raids because the Serb Army continued their assaults regardless of repeated UN warnings.

Akashi also warned that if the Bosnian Serbs dare to continue their offensives against the Muslims, fresh air strikes will be launched to stop them.

United States & Canada

Qian Qichen Says No Confrontation With United States

OW0904000594 Beijing XINHUA Domestic Service in Chinese 1314 GMT 8 Apr 94

[By correspondent Yu Haisheng (0060 3189 3932)]

[Text] Beijing, 8 Apr (XINHUA)—Vice Premier and Foreign Minister Qian Qichen met with a delegation from the U.S. Center for Strategic and International Studies [CSIS] led by former U.S. Secretary of Defense Brown. The meeting took place this afternoon at Ziguang Pavilion in Zhongnanhai. The host and his guests exchanged views on Sino-U.S. relations and other international issues of common concern.

Qian Qichen stated: The 20th century, which will soon be over, has witnessed two world wars and many regional conflicts. In the coming century, China hopes to see a diversified world with equality among all nations, and without hot or cold wars.

Qian Qichen pointed out: The relationship between China and the United States, though containing some twists and turns as well as contradictions, is not a relationship of confrontation. There is no conflict of fundamental interests between the two countries, and they should constantly promote cooperative relations in every field.

Brown said his current China tour is aimed at seeing old acquaintances and making new friends, as well as exchanging ideas with Chinese scholars and officials on a wide range of issues. He hoped the exchange will be helpful in resolving problems in bilateral relations.

The U.S. guests are visiting China at the invitation of China's Center for International Studies.

XINHUA Reports Clinton Defends Bosnia Air Strikes

OW1104162594 Beijing XINHUA in English 1513 GMT 11 Apr 94

[Text] Washington, April 11 (XINHUA)—President Bill Clinton said today that U.S. warplanes striking at Serb positions near the Bosnian town of Gorazde acted in "an entirely appropriate way."

He downplayed Russian objections to the attack, saying he had "a good talk" with Russian President Boris Yeltsin yesterday and that foreign ministers of both countries would continue communications today.

In Moscow, Yeltsin told reporters that the U.S. has no right to bomb Bosnian Serb positions without consulting Russia first.

Clinton said U.S. warplanes acted with U.N. civilian authorization and that U.N. Secretary-General Butrus Butrus-Ghali backed such a move in an earlier statement.

The U.S. president made these remarks before a meeting of his national security advisers at the White House.

Christopher on Possible Strikes

OW1104210394 Beijing XINHUA in English 1933 GMT 11 Apr 94

[Text] Washington, April 11 (XINHUA)—U.S. Secretary of State Warren Christopher said Washington is ready to act again against the Bosnian Serbs if necessary.

Confirming that a second air attack today destroyed at least a Serb tank and two armored personnel carriers, Christopher said the two U.S. FA-18 fighters that conducted the strikes were responding to U.N. commander Sir Rose's request.

He again took pains to downplay differences with Russia over the attacks, he said the two countries share the goal of seeking an end to the hostilities.

In Moscow, Yeltsin told reporters that the U.S. has no right to bomb Bosnian Serb positions without consulting Russia first.

Christopher urged the Bosnian Serbs to end the attacks on the Bosnian town of Gorazde, a Muslim-dominated enclave, and return to the negotiating table.

He said he had been in almost hourly contact with U.S. special envoy on Bosnia Charles Redman and Washington's ambassador to Bosnia.

Christopher disputed suggestions that the attacks would lessen the possibility of a solution and said NATO and the U.S. still favor a comprehensive settlement to the war.

XINHUA on U.S. Concern for Biological Weapons

OW0904014994 Beijing XINHUA in English 0131 GMT 9 Apr 94

[Text] Washington, April 8 (XINHUA)—The United States remains concerned about Russia's biological weapons program and seeks complete termination of such a program, the State Department said today.

"The United States has determined that the Russian offensive biological warfare program inherited from the

Soviet Union violated the Biological Weapons Convention (BWC) through at least March of 1992," State Department Spokesman Michael McCurry said.

"We've been engaged in an effort to work with the Russian leadership to ensure complete termination of the illegal program," McCurry said.

Russian President Boris Yeltsin issued a decree in April, 1992, to prohibit biological weapons programs. Five months later, Russia, Britain and the U.S. confirmed in a joint statement full compliance with the BWC.

McCurry said the status of the Russian biological weapons program, which included production, weaponization and stockpiling, "remains a little unclear" to the U.S. and Washington was engaged with Russia to find out answers to questions like that.

Zou Jiahua Holds Talks With Alexander Haig

*OW1104142794 Beijing XINHUA in English 1347
GMT 11 Apr 94*

[Text] Beijing, April 11 (XINHUA)—Chinese Vice-Premier Zou Jiahua met here today with General Alexander Haig, former secretary of state of the United States.

Haig has been here as guest of the Ministry of Metallurgical Industry.

Song Jian To Attend Joint Scientific Talks in U.S.

*OW0804171394 Beijing XINHUA in English 1416
GMT 8 Apr 94*

[Text] Beijing, April 8 (XINHUA)—Scientific and technological cooperation between China and the United States, which benefits both countries, has vast potential and promising prospects, said Chinese State Councillor Song Jian, who is to leave here for the United States tomorrow.

Before departure for attending the sixth meeting of the joint commission of the Sino-U.S. scientific and technological cooperation, Song, also minister in charge of the science commission, told XINHUA that the scientific and technological cooperation between China and the United States began in 1979, when Chinese leader Deng Xiaoping visited the United States and signed an agreement on scientific and technological cooperation with then-U.S. President Jimmy Carter.

On the basis of the agreement, he said, the two countries have in the past 15 years reached cooperative accords in 29 fields including education, agriculture, oceanography, public health, environmental protection and basic science, launched more than 1,000 cooperative programs and exchanged more than 10,000 personnel.

Song listed some of the fruits achieved through bilateral cooperation, which included the establishment of Beijing electron-positron collider, Sino-U.S. joint investigation

on the west Pacific Ocean and the setting up of China seismic data network. These items are of great scientific and economic significance, he added.

Such cooperation is beneficial to both sides, the State Councillor said, adding that the U.S. side can get 150 thousand mini-films and other materials from China's seismic data network every year, which are of important value to the study of seismic forecasting and basic seismic study.

In agricultural aspect, Song noted, China has offered U.S. side a rich assortment of agricultural resources.

Meanwhile, Song added, the Chinese side has learned and absorbed the advanced scientific theories and management, mastered some of advanced scientific methods and technology and trained scientific talents.

Sino-U.S. joint commission on scientific and technological cooperation hold its meetings every two years in the capitals of the two countries by turns and the forthcoming Washington session is the sixth meeting of the commission, which will be co-chaired by Song and John Gibbons, U.S. Director of the Office of Science and Technology Policy.

The agenda of the Washington meeting will include a review of achievements of Sino-U.S. scientific and technological cooperation, intensive discussions on further cooperation in public health, environmental protection, energy and materials, besides probing ways for businessmen's involvement in these aspects.

The two countries will sign new agreements and renew old ones for scientific and technological cooperation.

Song believed that his U.S. tour will help enhance Sino-U.S. scientific and technological cooperation to a new height.

As a noted scientist, Song said that science and technology belong to all the mankind. The Chinese scientists are willing to make new and greater contributions to the international scientific and technological cooperation, he said.

Agriculture Minister Seeks 'Latest American Technology'

*HK1104023294 Beijing CHINA DAILY in English
11 Apr 94 p 1*

[By staff reporter Wu Yunhe: "Liu Flies to U.S. in Search of Hi-Tech Farm Goods"]

[Text] Agriculture Minister Liu Jiang headed for Washington yesterday for high-level meetings that he hopes will step up farm aid between the two nations.

Liu's two-week visit to America coincides with the Sixth Meeting of the Sino-U.S. Joint Commission on Scientific and Technological Co-operation, scheduled for tomorrow.

He will lead a nine-member mission in talks with the U.S. Agricultural Secretary Mike Espy, as well as join State Councilor Song Jian's science delegation at the biannual commission.

Liu is the highest-ranking Chinese agricultural official to visit the United States this year.

During his talks with Espy and other officials, Liu is expected to explore Sino-U.S. ties in the farm sector.

China wants to introduce the latest American technology in high-quality seed breeding, bio-ecology and the processing of farm and sideline products, the ministry said.

"We also hope to strengthen our technical and economic co-operation with U.S. farmers, who have shown interest in China's vast agricultural resources," said Liu Chongmeng, deputy director-general of the ministry's International Co-operation Department.

China and the U.S. have enhanced agricultural co-operation over the past years, and China has provided America with more than 12,000 scientific and technical research products on agriculture, especially on disease-resistant plants.

In trade, the government has taken positive steps to strengthen ties with the U.S., Liu Chongmeng noted.

Agreements signed by Minister Liu and Secretary Espy call for the Chinese to designate South China's Hainan Province for trial production of the American TCK immune wheat seeds, starting this year.

The government hopes the U.S. will take a positive attitude toward improving quarantine procedures on imports of Chinese vegetables, fruits and potted landscape, Liu Chongmeng added.

During Liu Jiang's U.S. tour, he also plans to visit New York, Chicago and Los Angeles to look at American farms and agricultural business, and to meet local leaders and entrepreneurs.

Liu's farm delegation includes the vice-governors of Liaoning and Sichuan, the two top agricultural producing provinces.

Article on Mutual Benefits of U.S. Investment
HK1104054194 Beijing ZHONGGUO XINWEN SHE
in Chinese 1201 GMT 8 Apr 94

[Article by staff reporter Yu Donghui (0151 2639 2547)]

[Text] Beijing, 8 Apr (ZHONGGUO XINWEN SHE)—Wu Yi, minister of foreign trade and economic cooperation, heads the Chinese Government economic relations and trade delegation flying to the United States today to attend the Sino-U.S. Joint Committee for Commerce and Trade. In addition, a 220-member delegation for talks on Sino-U.S. trade and investments is ready and waiting and will be attending two large-scale

activities, a seminar on investment and trade and successive talks in Los Angeles and New York, in mid-April.

These will be largest-scale activities in investment and trade China will have sponsored in the United States since China's reform and opening up in the 15 years since Sino-U.S. diplomatic relations were established. This shows China's aspirations and sincerity in expanding opening up, strengthening Sino-U.S. relations in trade and economic cooperation, and welcoming U.S. businessmen to make investments in China.

On the eve of her departure for the United States, Jiao Sufeng, foreign investment administration director of the Ministry of Foreign Trade and Economic Cooperation, agreed to a special interview with this reporter.

Jiao Sufeng disclosed that the current activities in investment and trade include trade talks and inviting investments, with 927 projects in that category. The members of the delegation are from nine of China's central ministries and commissions, 26 provinces and municipalities, and a dozen or so trade companies.

Viewing the investment projects and the members of the delegation, we find three major characteristics, namely:

—The focus is on infrastructure projects. There are 175 projects involving energy resources, transportation, and telecommunications, with a capacity for absorbing \$5 billion to \$6 billion of foreign funds. From this we can see that China's absorption of foreign funds will gradually change from leaning toward regions to leaning toward industry.

—A high proportion of the projects are of the capital- and technology-intensive type. There are 338 projects concerning raw materials, electronic machinery, the petrochemical industry, the light and textile industries, and the metallurgical industry. Beyond a doubt, they are very attractive to large U.S. transnational companies.

—Central and western provinces are taking an active part. Out of the 26 provinces and cities represented on the United States visit, 16 are provinces, cities and autonomous regions in China's hinterland, namely Xinjiang, Qinghai, Ningxia, Gansu, Shaanxi, Yunnan, Guizhou, Sichuan, Hubei, Hunan, Jiangxi, Henan, Jilin, Shanxi, Xian, and Wuhan. This is related to the structure of the projects, while demonstrating the momentum of China's opening up in all directions.

The current visit to the United States will once again show the world that China, this largest developing country, has a huge market filled with temptation. China's bountiful resources, industrial foundation and technological force of an initial range, and cheap labor match very well U.S. abundant funds and advanced technology. The key to developing Sino-U.S. relations should be augmenting trade and economic cooperation characterized by mutual interests and benefits.

U.S. investments in China grew steadily between 1979 and 1993. By the end of last year, China had already approved 12,000 projects involving U.S. investments. The negotiated sum was \$10.6 billion, with an actual investment of \$5.2 billion, next only to Hong Kong. In 1993 in particular, U.S. businessmen invested in some 6,700 projects in China, with a negotiated sum of \$6.8 billion, of which some \$2 billion was already invested.

All the signs are that although some troubles and contradictions often surface in Sino-U.S. trade and economic relations, U.S. political and entrepreneurial circles continue to show strong interest and great confidence in China. That is evidenced by the fact that since the beginning of this year, U.S. Government officials, non-government delegations, large companies and financial groups have come to China one after another.

In view of this, the current large-scope activities in trade and economic relations are aimed chiefly at establishing extensive ties with U.S. figures from economic and entrepreneurial circles, briefing them on China's policy of reform and opening up and conditions in economic development, and providing them with opportunities for investment and trade. Jiao Sufen indicated that strengthening ties and deepening understanding is more important than signing some contracts.

A relevant figure stressed that China welcomes U.S. investments, and the United States needs the Chinese market. Harmony between the two sides spells mutual benefits; and confrontation means crippling both. The best policy is to seek common ground while reserving differences, and seek cooperation.

Central Eurasia

Liu Huaqing Meets Russian Chief of General Staff

OW1204100494 Beijing XINHUA Domestic Service in Chinese 0826 GMT 12 Apr 94

[By reporter Zhang Rongdian (1728 2837 0368)]

[Text] Beijing, Apr 12 (XINHUA)—During a meeting with General M. P. Kolesnikov, chief of the General Staff of the Armed Forces of Russia, and his party at the Diaoyutai Guesthouse at noon today, Liu Huaqing, vice chairman of the Central Military Commission, expressed pleasure with the smooth development of relations between the two countries.

Liu Huaqing said the Chinese Central Military Commission attached great importance to Kolesnikov's visit and he expressed the belief that the visit will help promote mutual understanding and enhance friendship between the two armies. He said: "The Chinese people and army have always cherished a profound friendship toward the Russian people and army. Since the normalization of relations between the two countries, bilateral relations

have developed very smoothly and friendship has continually deepened. We are very happy about this."

Liu Huaqing said: China and Russia are both large countries with long histories and cultures. As close neighbors, they should have better relations.

He continued: "Currently, Russia has encountered some difficulties. However, we believe the Russian people will overcome their temporary difficulties. This is because the Russians are a great people, the country has a good economic foundation, it has a vast land and rich resources, and its people are better educated and very intelligent. We believe that as long as the policy is correct and the direction is right, the Russian people will definitely build their country well. We respect the Russian people's choice."

Kolesnikov said: "We are very pleased to have the opportunity to visit China, our great neighbor. Seeing for oneself is a hundred times better than hearing from others. After arriving in Beijing, we have personally observed the tremendous achievement made by the Chinese people in construction."

He said: "We came here to develop friendship and increase mutual understanding between the two armies. We are ready to further develop friendship between the Russian and Chinese Armies on the existing foundation."

Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army, and Russian ambassador to China Rogachev, were present at the meeting.

After the meeting, Liu Huaqing gave a luncheon entertaining Kolesnikov and his party.

Further on Liu Meeting

OW1204100994 Beijing XINHUA in English 0945
GMT 12 Apr 94

[Text] Beijing, April 12 (XINHUA)—In a meeting with M.P. Kolesnikov, chief of the general staff of the Armed Forces of Russia, here at noon today, vice-chairman of the Central Military Commission Liu Huaqing said he was pleased with the smooth development of the relations between the two countries.

The commission attaches much importance to Kolesnikov's visit to China, and the visit will enhance understanding between the Chinese and Russian armies, Liu said.

"The People's Liberation Army and the Chinese people have always held deep sentiments toward their Russian counterparts," Liu said. "We are very glad that since their normalization, our bilateral relations have been growing smoothly and our friendship has been deepening."

China and Russia are two big countries, both with a long history and ancient culture, Liu said, adding that as close neighbors, they should develop good relations between them.

"We believe the Russian people will overcome the difficulties facing them presently, as the Russians are a great people and Russia is bestowed with a good economic foundation, a huge territory, abundant resources and wise and well-educated people."

"We believe the Russian people will build up their country by implementing proper policies and travelling on the right track, and we respect the Russian people's choice."

Kolesnikov said: "We are very glad to have this opportunity to visit our great neighbor China. Seeing is believing. After arriving in Beijing, we have observed the huge achievements the Chinese people have made in building their country."

"Our visit is aimed at improving friendship and understanding between the two armies. We wish that the friendly relations between the armies will be further strengthened."

Among those present at the meeting were General Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army, and Russian Ambassador to China Igor A. Rogachev.

After the meeting Liu hosted a banquet for Kolesnikov and his party.

PLA Chief Holds Talks With Russian Counterpart

*OW1104135794 Beijing XINHUA in English 1339
GMT 11 Apr 94*

[Text] Beijing, April 11 (XINHUA)—General Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army (PLA), held talks with General M.P. Kolesnikov, chief of the General Staff of the Armed Forces of Russia, here this afternoon.

During the talks, they exchanged views on relations between the armed forces of China and Russia.

Kolesnikov and his party arrived here this morning as Zhang's guests. They are scheduled to visit Shanghai tomorrow.

Qian Qichen Meets Russian Deputy Foreign Minister

*OW1204073394 Beijing XINHUA in English 0635
GMT 12 Apr 94*

[Text] Beijing, April 12 (XINHUA)—The series of visits scheduled to be exchanged between China and Russia this year will help further promote the relations between the two countries, said Chinese Vice-Premier and Foreign Minister Qian Qichen .

Qian made the statement during his meeting with visiting deputy Foreign Minister Alexander Panov of Russia here this morning.

Qian and Panov exchanged views on bilateral relations and international issues of common concern.

Qian said that Russia is a big country that plays an important role in world affairs, adding that China always puts its relations with Russia high on its foreign policy agenda.

Qian said that there has been healthy and steady development recently in the bilateral relations, adding that the developing of good neighborly relations between the two countries not only conforms to the interests of the countries themselves, but also constitutes a stabilizing factor in the Asia-Pacific region and the world as a whole.

The Chinese vice-premier expressed his belief that the bilateral relations will be further developed through joint efforts.

Panov expressed his satisfaction over the positive results of his current visit to China. He held that Russia-China relations will become better and better.

Yesterday afternoon Chinese Deputy Foreign Minister Dai Bingguo held talks with Panov on bilateral relations and other issues of common concern.

City on Sino-Russian Border Becomes Trade Center

*OW0904102594 Beijing XINHUA in English 0845
GMT 9 Apr 94*

[Text] Harbin, April 9 (XINHUA)—Suifenhe city in Northeast China's Heilongjiang Province has become one of the business centers on the Sino-Russian border.

Located in the southeast part of Heilongjiang Province, the city, with an area of 460 square km and 40,000 people, is linked with Russia by a railway and two highways and is also serving as a hub in access to Japan and Korea.

As early as in the 1920s, businessmen from 18 countries and regions in the world including the United States, Britain, Australia, Japan, Russia and Korea were engaged in business in the city.

Since October 1987 when China re-opened the border trade to Russia, Suifenhe city has made a big progress in its foreign trade and economic cooperation.

Over the past six years, its export volume to Russia reached 1.2 billion Swiss franc and the varieties of commodities exported to Russia increased by hundreds of times to more than 4,000.

The city has 248 joint ventures involving a total investment of 1.5 billion yuan.

At present, business people from both China's inland areas and overseas have had more than 2,000 representative offices in the city, as a result of the improved telecommunications and the conditions of other infrastructure.

China, Kazakhstan Hold Consular Talks in Beijing

*OW0904144994 Beijing XINHUA in English 1412
GMT 9 Apr 94*

[Text] Beijing, April 9 (XINHUA)—Askar Moussinov, director of the Consular Department of Kazakhstan's Foreign Ministry, left here today for Shanghai at the end of the China-Kazakhstan consular negotiations.

The talks, the first of their kind, were conducted here April 6-7 between Moussinov and his Chinese counterpart Zhang Hongxi.

In a frank and friendly atmosphere, the two sides exchanged views on consular-related issues, such as facilitating the contacts between the two countries' citizens, the protection of the legal rights and interests of each country's citizens and its legal entities in the other country, and the implementation of the existing visa agreements between the two countries.

The negotiations resulted in deeper mutual understanding between the two sides and some positive achievements, sources from the Chinese Foreign Ministry said.

In order to further develop the neighborly ties of friendship, economic and trade relations, the two sides agreed to strive to establish more orderly and convenient contacts between the two peoples.

The two sides also agreed to continue their negotiations through diplomatic channels on remaining problems.

Yesterday, Chinese Vice-Foreign Minister Dai Bingguo met the Kazakhstan delegation.

XINHUA Cites Yeltsin on U.S. Bombing in Bosnia

*OW1104140894 Beijing XINHUA in English 1256
GMT 11 Apr 94*

[Text] Moscow, April 11 (XINHUA)—Russian President Boris Yeltsin said the U.S. has no right to unilaterally decide to bomb Bosnian Serbs positions.

Yeltsin made this remarks in response to the U.S. bombing of the Bosnian front near Gorazde on Sunday [10 April].

Before leaving for Spain today, Yeltsin said that the U.S. has no right to make such a decision without consulting Russia first.

The Russian president added that he had a telephone talk at 6:00 this morning with U.S. President Bill

Clinton. Clinton did not answer whether the U.N. General Secretary [as received] had agreed to the attack, he added.

According to the ITAR-TASS NEWS AGENCY, Yeltsin insisted that all issues be solved according to U.N. resolutions, and demanded that the U.N. Security Council discuss the issue.

Russia Denounces NATO Bombing

*OW1204022894 Beijing XINHUA in English 0138
GMT 12 Apr 94*

[Text] Moscow, April 11 (XINHUA)—Russian Foreign Minister Andrey Kozyrev today warned that NATO air strikes against Bosnian Serb positions could lead to an escalation of the war in Bosnia-Herzegovina.

NATO aircraft have bombed Bosnian Serb positions near the town of Gorazde twice in the past two days.

In a telephone conversation with U.S. Secretary of State Warren Christopher today, Kozyrev said the world might be dragged into the danger of exchange of strikes and he called for maximum restraint.

He said the decision to launch air strikes was hasty and "taken without due regard for consequences" and NATO had not consulted the permanent members of the U.N. Security Council.

Kozyrev, who is accompanying President Boris Yeltsin in Madrid for a visit to Spain, said that the decision-makers should be responsible for "all serious consequences of air strikes."

In a statement, the Russian Foreign Ministry said Moscow was told that U.N. Secretary-General Butrus Butrus-Ghali had been informed of the possibility of using aircraft before the air strikes.

The statement said Russia also hoped to be informed of the whole incident by U.N. leaders.

It called on the United States and other Western countries not to wreck the U.N. decisions or connive at any side.

As a direct and active participant in the settlement of the Bosnian crisis, Russia insisted on preventing an escalation of the conflict in the region, the statement said.

Northeast Asia

Rong Yiren Meets Japanese Economic Delegation

*OW1204104794 Beijing XINHUA in English 0833
GMT 12 Apr 94*

[Text] Beijing, April 12 (XINHUA)—Vice-President Rong Yiren met here today with a delegation from the Japan Association of Corporate Executives (JACE), led by Chairman Hiroshi Watanabe.

JACE is one of Japan's four most influential economic organizations, with heads of major enterprises among its members.

JACE puts great emphasis on economic cooperation and exchanges with China and has sent several delegations to China, Rong said during the meeting.

Rong believes that JACE's current visit will help strengthen bilateral economic exchanges and friendly relations.

Watanabe said JACE is ready to conduct regular exchanges with China's state economic and trade commission to help cultivate Chinese modern entrepreneurs.

Rong appreciated Watanabe's move, saying that facing an economy which is growing "continuously, quickly and healthily," China is in urgent need of talents. Though China will train qualified personnel by itself, it heartily welcomes foreign friends to lend a hand for this purpose.

Rong expressed the hope that China and Japan will improve their mutually beneficial cooperation in economics, which is an impetus to the two countries' economic growth.

Praising China's achievements in fostering economic growth and maintaining domestic stability, Watanabe expressed the confidence that a large group of outstanding entrepreneurs will crop up in China in the wake of the thriving economy.

South Korean President Meets Wu Xueqian

OWI104131694 Beijing XINHUA in English 1238
GMT 11 Apr 94

[Text] Seoul, April 11 (XINHUA)—South Korean President Kim Yong-sam today expressed the hope that the enhancement of cooperation between South Korea and China will promote further development of the relations between the two countries.

Kim made the remarks when meeting with Wu Xueqian, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC), in the Presidential House here Monday [11 April].

He said that he held talks with Chinese President Jiang Zemin and Premier Li Peng during his recent visit to China. "We exchanged views on bilateral relations and issues of mutual concern. The talks are very useful," he added.

President Kim paid an official visit to China from March 26 to 30 at the invitation of President Jiang Zemin.

He noticed that great achievements have been made in China. "I saw with my own eyes the situation of the open-door to the outside world and the rapid economic development in Shanghai and Tianjin."

Wu said that the establishment of diplomatic ties between China and South Korea in August 1992 has restored long-standing ties of the two countries in the history.

Kim's China visit has made important contributions to the promotion of further development of the relations between the two countries, he said.

Wu arrived here Sunday for an eight-day good-will visit at the invitation of South Korean Foreign Minister Han Song-chu.

Paper Views Chinese, U.S. Policy on Korea

HK1104143694 Hong Kong HSIN PAO in Chinese
8 Apr 94 p 24

[Article from the "Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429): "The Chinese-U.S. Strategic Trial of Strength on the Korean Peninsula"]

[Text] Beijing, 6 Apr—The tense situation on the Korean peninsula resulting from the North Korean nuclear issue escalated in late March and led to a military confrontation at the end of that month. This has received international attention. Under these circumstances, on 1 April the UN Security Council adopted a moderately worded statement proposed by China asking North Korea to allow international inspectors to complete their nuclear inspections and urging North and South Korea to resume dialogue with the UN Security Council members so as to implement the declaration on the Korean peninsula being a nuclear-free zone, thus temporarily easing the tension on the peninsula.

How has the present situation on the Korean peninsula taken shape? An informed source in Beijing has revealed that a Beijing expert on international conflicts was of the opinion that primarily human factors were behind the military confrontation on the Korean peninsula. Over the past year, the situation on the Korean peninsula has been tense one moment and relaxed the next. On 12 March last year, North Korea suddenly announced its withdrawal from the Treaty on the Nonproliferation of Nuclear Weapons, to oppose the U.S.-South Korean "team spirit 1993" joint military exercises. Not long afterward, South and North Korea were in a "state of quasi war." Subsequently, the United States took the initiative in holding a dialogue with North Korea, and good results were achieved. In February this year, North Korea reached agreements respectively with the International Atomic Energy Agency (IAEA) and the United States, expressing its willingness to allow IAEA personnel to carry out an "inspection aimed at ensuring continuity in nuclear safety." Apart from this, South and North Korea held talks in Panmunjom from 3 to 6 March to discuss mutual visits by both sides' special envoys. Logically, this should have helped improve the atmosphere on the Korean peninsula, but a six-member international nuclear inspection team complained that North Korea had prevented them from taking samples from a chemical research agency after inspecting seven

nuclear facilities in North Korea. North Korea asserted that these nuclear facilities had passed IAEA inspections, had been sealed, and monitoring equipment had been installed at the sites; there was no reason for the inspection team to remove the seals and take samples again. Logically, it was possible to resolve this difference of opinion. Unfortunately, however, South and North Korea viciously abused one another during the Panmunjom talks, and the United States asserted that, if North Korea refused to yield, the UN Security Council would impose sanctions on it.

China Persuaded the Three Parties To Have a Dialogue

The international community, however, did not agree with the idea of the Security Council taking economic sanctions against North Korea or the United States punishing it with force. Instead, it hoped that China could influence North Korea through their friendly relations so that the crisis on the Korean peninsula could be alleviated. During their visits to China in late March, U.S. Secretary of State Christopher, Japanese Prime Minister Hosokawa, and South Korean President Kim Yong-sam respectively expressed the same view. It was against this background that China submitted the above-mentioned proposal.

The informed source further pointed out that, because China had always abided by the international norm of not interfering in other countries' internal affairs, it indicated that "it can only play a limited role and do little" on the North Korean nuclear issue, apart from expressing its stand of favoring dialogue and opposing the use of pressure. To ease the tense situation on the Korean peninsula and remove the war crisis there, China continued to actively persuade the United States and South and North Korea to patiently resolve their disputes through dialogue.

China indicated to the United States: After the Cold War, the United States should no longer adopt a hostile attitude toward North Korea, and this is an important factor preventing North Korea from manufacturing nuclear weapons; North Korea does not constitute any threat to world peace, and the United States should cancel its military exercises with South Korea; the United States should give up its policy of politically isolating North Korea, economically containing it, and diplomatically slandering it and should restore talks with it so that their bilateral relations will develop toward normalization.

China indicated to South Korea: North Korea lacks the technological and economic capacity to manufacture nuclear weapons, so South Korea should not be oversensitive about this issue; as there is no proof, South Korea should not act rashly; even though North Korea has the intention of manufacturing nuclear weapons, this problem can be resolved through negotiations; the shipment of U.S. Patriot missiles to South Korea and U.S.-South Korean joint military exercises have unquestionably added fuel to the fire; South and North Korea

should hold direct summit talks to create a relaxed atmosphere. China indicated to North Korea: North Korea should be more flexible on the question of nuclear inspections; it should withdraw its troops a little from the military demarcation line to avoid clashes; and it should take the initiative in proposing talks with South Korea.

The Beijing expert on international conflicts pointed out that China's active persuasion to the United States and South and North Korea suggested its sincerity for alleviating the tense situation on the Korean peninsula. The alleviation of this tension primarily relies on the patient dialogue between North Korea, South Korea, the IAEA, and the United States.

The informed source said that the Beijing international conflicts expert was of the opinion that the United States should undertake a major responsibility for the tense situation on the Korean peninsula, because this super-power practices hegemonism and power politics abroad and always wants to foist its value concepts on others. For example, the United States used the method of peaceful evolution on the former Soviet Union and is applying the same method to China, and it is using military methods to bring about a change in North Korea, Iraq, and Libya. The United States deeply regretted not being able to conquer Iraq with one stroke during the Gulf war. Remembering this lesson, it will practice a strategy of destruction against North Korea—the last Stalinist regime in the world—with the aim of enabling South Korea to gobble up North Korea, like West Germany gobbling up East Germany. A South Korean radio station said that "Seoul and Washington already have a plan to overthrow the Kim Il-song regime." This is a specific example of an attempt to change North Korea through military means.

The United States Is Using Two Methods

Apart from this, aiming to undermine China's foreign policy of establishing good-neighborly relations with its surrounding countries, the United States is trying every possible means to set these countries against China, with a view to encircling it.

When discussing the international situation recently, an authoritative person from the CPC pointed out that the Korean peninsula, India, and Pakistan might be on fire [qi huo 6386 3499], and Vietnam and Russia might see winds rising [qi feng 6386 7364]. Partially speaking, this refers to the U.S. strategy of encircling China.

This international conflicts expert said that China is quite certain that the United States is aiming at China in pressuring North Korea, and therefore China is quite concerned about the situation on the Korean peninsula. Strategically speaking, China regards the Korean region as an important buffer [huan chong 4883 0394] zone between China and the United States. Should North Korea fall under U.S.-South Korean joint military occupation, China could face U.S. Naval, Army, and Air Force threats. If war breaks out again on the Korean

peninsula, and the United States supports South Korea in attacking North Korea, the Chinese Army, which "resisted U.S. aggression and aided Korea to defend the motherland" in the early 1950's will not sit idly by. If it did, the people throughout the country would condemn it.

This expert continued: Of course, China's stand is very explicit at present; it will do its best to prevent war on the Korean peninsula. Therefore, as the United States highly values U.S.-Chinese cooperation, China also sets great store by improving Chinese-U.S. relations. The further development of Chinese-U.S. relations will be good for easing the North Korean nuclear crisis, for preventing Japan from becoming a nuclear country, and for stopping the "Taiwan independence" movement and the Vietnamese demand for "sovereignty" over the Nansha Islands [Spratlys]. More importantly, it will provide China with a 10 to 20 year opportunity for peaceful construction. The sustained development of China's economy and the constant growth of its comprehensive national strength will prevent the United States and other Western countries from belittling China's international role.

This expert stressed: The Korean peninsula issue is no longer a simple dispute between South and North Korea; the different attitudes of China and the United States on the North Korean nuclear issue is, essentially speaking, a strategic trial of strength between the two countries on the Korean peninsula.

Ship Safety Inspections Urged for Asia-Pacific Area

HK1204072794 Beijing CHINA DAILY in English
12 Apr 94 p 1

[By Xie Yicheng: "China Spurs Regional Aid For Ship Inspections"]

[Text] China is stepping up efforts to ensure safer shipping conditions in the Asia-Pacific region by cementing its co-operation with surrounding nations on vessel inspections and port control.

Zheng Guangdi, Vice-Minister of Communications, told the opening of the first meeting of Asia-Pacific Port State Control Committee that teamwork was critical to this success.

About 100 maritime authorities from 16 Asia-Pacific countries are in Beijing to collaborate on port control data exchange systems and maritime surveyor training.

Last December these nations, along with Vietnam and Fiji who are absent this time, signed the Tokyo Memorandum of Understanding on Port State Control—a regional treaty to safeguard marine safety and prevent sea pollution in the region.

The deal unified inspection standards. If a ship clears inspection after docking in a Chinese port, it will be granted entry to the other 17 nations without repeating the same procedures.

States are obligated under the agreement to check any foreign ship entering its port, along with on-board equipment and seamen, to ensure they meet international criteria and domestic laws.

Lin Yunai, head of China's Harbour Superintendency Bureau, said the region faces uneven economic development which leads to legions of substandard vessels sailing into their ports, some of which have caused serious accidents.

In 1990 China launched its own port State control in 12 main seaports. More than 200 Chinese officials have qualified for overall safety checks on foreign ships, and a technical training centre has been established in Dalian to foster more maritime surveyors.

The number of foreign vessels inspected topped 2,000 last year, and is expected to grow by 50 per cent annually. About 10 per cent of the examined foreign ships violated international conventions, such as having obsolete on-board fire-fighting devices. They were required to fix any problems discovered. Depending on how severe the problem is, some ships may be allowed to leave the port without making the repairs, but will have to remedy the violations in a certain time period before docking again in China. If the owner cannot fulfill the requirements, the ship will be detained.

Some violators may face fines.

International Strategic Studies Director Visits Japan

OW0904014694 Beijing XINHUA Domestic Service in Chinese 1438 GMT 6 Apr 94

[By correspondent Zhang Huanli (1728 3562 0448)]

[Text] Tokyo, 6 Apr (XINHUA)—In a recent meeting with Xu Xin, director of the China Institute for International Strategic Studies, Shigeru Hatakeyama, administrative vice minister of Japan's Defense Agency, said consolidating and developing the friendly relationship between Japan and China is conducive to promoting security, stability, and prosperity in the Asia-Pacific region.

Director Xu Xin arrived in Tokyo on 3 April to begin a week-long friendly visit at the invitation of Masamichi Inoki, chairman of Japan's Research Institute for Peace and Security Guarantee.

During his stay in Tokyo, Xu Xin also met with Chairman Inoki and Tetsuya Nishimoto, chairman of the Joint Staff Council of Japan's Defense Agency. He exchanged views with them on issues including security in Asia.

During those meetings, Xu Xin said the Sino-Japanese relationship has entered a new stage, and the two countries should lose no opportunity to further increase exchanges and develop a friendly relationship in all spheres.

Director Xu Xin is scheduled to leave Tokyo today and visit other areas including Kyoto, Nara, and Osaka.

Kim Tae-chung Suggests 'Package Deal' on DPRK Issue

*OW0904123694 Beijing XINHUA in English 1150
GMT 9 Apr 94*

[Text] Seoul, April 9 (XINHUA)—Kim Tae-chung, chairman of the Kim Tae-chung Peace Foundation for the Asia-Pacific Region, has suggested a "package deal" in solution to the Korean nuclear issue.

The nuclear issue can be resolved through a "package deal" under which Western countries would "recognize the Pyongyang government while North Korea give up nuclear program," Kim said at a meeting in Taegu, capital of South Korea's North Kyongsang Province Saturday [9 April].

Kim, former renowned South Korean opposition leader, asked the South Korean Government to adopt a soft policy toward the Democratic People's Republic of Korea (DPRK) in order to bring about change.

"The Cold War age is over and the conditions causing division of the Korean Peninsula have disappeared. So if South and North Korea continue their exhausting competition, both will turn into third-rate countries," he warned.

Kim predicted, "North Korea will eventually abandon nuclear program and the United States will establish an embassy in Pyongyang."

Speaking at Pusan University in the country's South Kyongsang Province Friday, Kim Tae-chung said that South Korea and the U.S. should not resume their joint military exercise "Team Spirit" as it would impede dialogue on the nuclear issue.

Mongolian Foreign Minister Visits Jiangsu Province

OW1104010194 Nanjing Jiangsu People's Radio Network in Mandarin 2300 GMT 9 Apr 94

[From the "News" program]

[Text] Vice Governor Yu Xingde of Jiangsu Province cordially met with Mongolia's Foreign Minister Gombosuren and his party at Nanjing's Jinmen Restaurant last night. They held a friendly and warm discussion.

On behalf of the provincial CPC committee, Yu Xingde welcomed Foreign Minister Gombosuren's visit to our province. Yu Xingde said: China and Mongolia share a long border, and the peoples of both countries have had

a long history of friendly exchange. The friendly and cooperative relations between the two countries have been further deepened thanks to the exchange of friendly visits.

Vice Governor Yu Xingde briefed the guests on transportation and economic development in our province. He stated: It is our hope that the friendly exchanges between Jiangsu and Mongolia will be expanded through your visit. Such exchanges will be beneficial to our prosperity.

Minister Gombosuren added: Nanjing is one of many Chinese cities noted for their historical and cultural background. Nanjing is also one of several Chinese cities maintaining the most rapid economic growth. During our visit, we saw in person the tremendous changes which have occurred in this region. Many experiences gained during your economic reform can be used for our reference.

Minister Gombosuren continued: Exchanges between Jiangsu and Mongolia can be traced to the past. There are 10 students from our country currently studying in Jiangsu's colleges and universities. It is our hope that relations will be further strengthened in the future.

Attending the meeting were Wang Yi, deputy director of the Department of Asian Affairs of the Ministry of Foreign Affairs; Lu Suman, deputy director of the Provincial Foreign Affairs Office; and others.

Cooperation Treaty Initiated

*OW1104072894 Beijing XINHUA in English 0704
GMT 11 Apr 94*

[Text] Beijing, April 11 (XINHUA)—The treaty of friendly cooperation between China and Mongolia was initiated here this morning by Chinese Vice-Premier and Foreign Minister Qian Qichen and visiting Mongolian Minister of External Relations Tserenpiliyn Gombosuren.

Gombosuren will leave for home today after winding up his China visit, during which the guests toured Tianjin and Nanjing, two important industrial cities in north and east China regions.

Mongolian Newspaper Delegation Visits Shandong

SK1004034894 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 9 Apr 94

[Text] On the afternoon of 9 April at Jinan Nanjiao Guesthouse, Dong Fengji, standing committee member of the provincial party committee and director of the propaganda department under the provincial party committee, cordially met with the delegation of (?INFORMATION PAPER) under the Government of the State of Mongolia, headed by (Hao Keweilie), chief editor of the paper.

During the meeting, Dong Fengji introduced to the guests the provincial situation in reform, opening up, economic development, and cultural exchange.

The Mongolian guests expressed that they would enthusiastically introduce to the Mongolian people socialism with Chinese characteristics and Shandong's construction and development situation so as to promote the mutual friendly contracts and cooperation.

Southeast Asia & Pacific

Tian Jiyun Meets Australian Legislators 12 Apr
*OW1204110394 Beijing XINHUA in English 0928
GMT 12 Apr 94*

[Text] Beijing, April 12 (XINHUA)—Tian Jiyun, vice-chairman of the Chinese National People's Congress (NPC) Standing Committee, met here today with a delegation from the Joint Committee for Foreign Affairs, Defense and Trade of the Australian Parliament.

Earlier today, Zhu Xun, secretary general of the Chinese People's Political Consultative Conference National Committee, also met with the Australian legislators.

The delegation, headed by Gerry Jones, chairman of the committee, arrived here yesterday as guests of the NPC.

Delegation Holds Talks

*OW1104142694 Beijing XINHUA in English 1355
GMT 11 Apr 94*

[Text] Beijing, April 11 (XINHUA)—Zhu Liang, chairman of the Foreign Affairs Committee of the National People's Congress, held talks with Gerry Jones, chairman of Joint Committee for Foreign Affairs, Defense and Trade of the Australian Parliament.

Jones and his party arrived here this morning as guests of the National People's Congress, Chinese version of parliament.

Supervision Ministry Delegation Visits Philippines

OW0904003394 Beijing XINHUA Domestic Service in Chinese 1438 GMT 7 Apr 94

[Text] Manila, 7 Apr (XINHUA)—While meeting today with a Supervision Ministry delegation headed by Vice Minister He Yong from China, Philippine Vice President Estrada said the Philippine Government always attaches importance to developing friendly relations with China.

Estrada noted that since the origin of Philippine-Chinese relations goes back to ancient times, and since over half of the Philippine people have Chinese blood in their veins, there is no reason not to maintain a friendly relationship between the two countries.

He Yong relayed Chinese Vice President Rong Yiren's invitation to Estrada to visit China, which Estrada accepted with pleasure.

He Yong and his party arrived in the Philippines on 5 April at the invitation of the Interior and Local Governments Ministry of the Philippines.

This is the first time the Chinese Supervision Ministry has sent a delegation to visit the Philippines. The aim of the current visit is to establish contacts between the administrative supervision organs of the two countries and to lay a foundation to enhance cooperation and exchanges in the sphere of supervision between the two sides in the future. The delegation will depart the Philippines for Thailand on 10 April.

New Zealanders Feel PRC Has 'Greatest Growth Prospects'

*OW1204013794 Beijing XINHUA in English 0111
GMT 12 Apr 94*

[Text] Wellington, April 12 (XINHUA)—China and Japan have been recognized by New Zealanders as the markets with greatest growth prospects, showed the result of a survey available today.

The National Research Bureau, which conducted the survey, concluded New Zealanders had now become aware of the importance of trade with Asian countries.

Seventy-eight percent of the 600 people surveyed felt Asian tourism was good for New Zealand and 57 percent favored education institutions attracting fee-paying Asian students.

However, many New Zealanders are wary of Asian investment and immigration, the survey showed.

The result indicated 29 percent welcomed Asian immigration to New Zealand as good for the country, and 25 percent thought Asian investment as good.

Thirty-three percent of the people had mixed feelings about the immigration, 25 percent thought it would be neither good nor bad, and 13 percent believed it would be bad for New Zealand.

On the Asian investment, 46 percent had mixed feelings, 18 percent opposed it and 11 percent considered it as neither good nor bad.

The bureau said people were concerned Asian investment could move ownership and control of businesses overseas, a similar attitude New Zealanders held toward the United States and other countries 20 years ago.

The prime reason for people opposing Asian migration came from the fear for the perceived takeover of jobs from New Zealanders.

Near East & South Asia**Rong Yiren Meets Sri Lankan Chief Justice**

*OW1104112794 Beijing XINHUA in English 1044
GMT 11 Apr 94*

[Text] Beijing, April 11 (XINHUA)—Chinese Vice-President Rong Yiren met with G.P.S. de Silva, chief justice of Sri Lanka's Supreme Court, and his party here today.

Rong said at the meeting that relations between China and Sri Lanka have been developing well since the two countries were diplomatically linked in 1957, adding that exchanges of visits between leaders of the two countries have promoted mutual understanding.

The Chinese vice-president expressed his belief that Silva's current visit to China will surely promote bilateral exchanges and cooperation between the judiciaries of the two countries.

Silva said that he and his colleagues are pleased to learn about China's judicial system, believing his current visit will help strengthen the existing friendly cooperative relations between the two countries.

Vice-President Zhu Mingshan of China's Supreme People's Court was present at the meeting.

De Silva Meets Ren Jianxin

*OW1004130794 Beijing XINHUA in English 1241
GMT 10 Apr 94*

[Text] Beijing, April 10 (XINHUA)—Ren Jianxin, president of the Supreme People's Court of China, met with G.P.S. de Silva, chief justice of Sri Lanka's Supreme Court, here today.

The two sides exchanged views on the friendly contacts and cooperation between the two supreme courts.

Silva and his party arrived here yesterday at Ren's invitation. Apart from Beijing, the Sri Lanka guests are scheduled to visit Shenyang and Dalian, two cities in Northeast China.

Ambassador Previews Egyptian President's Visit

*OW0904211094 Beijing XINHUA in English 2040
GMT 9 Apr 94*

[Text] Cairo, April 9 (XINHUA)—Chinese Ambassador to Egypt Yang Fuchang said today Egyptian President Husni Mubarak's upcoming visit to China is very important to relations between the two countries.

Yang told a press conference held this evening at the Chinese Embassy that the Chinese Government and people welcome President Mubarak's upcoming visit to China and that the visit will open new prospects for cooperation between the two countries.

He said the visit, which will take place from April 21 to 23, will provide a chance for the leaders of the two countries to consider ways of promoting ties of cooperation between them.

Answering a question about political relations between China and Egypt, the Chinese ambassador said there is no problem in their relations. They are linked together by good ties, in addition to the fact that the two countries coordinate their positions at international assemblies.

He added that Mubarak's upcoming visit to China will give a fresh impetus to the already good relations between the two countries.

Dealing with their economic cooperation, Yang said that the volume of trade between the two countries reached 220 million U.S. dollars in 1993, hoping that it will expand so as to be compatible with the good political relations between them.

Nepalese Parliamentarians Arrive in Lhasa

*OW0904150694 Beijing XINHUA in English 1431
GMT 9 Apr 94*

[Text] Lhasa, April 9 (XINHUA)—A delegation from the Nepalese parliament headed by Beni Bahasour Karki, chairman of the upper house, arrived here today to begin its 10-day China visit at the invitation of the Chinese People's Political Consultative Conference (CPPCC) National Committee.

The delegation was greeted at the airport by officials from the CPPCC Tibet Autonomous Regional Committee and CPPCC National Committee.

Meet With Li Ruihuan

*OW1104143394 Beijing XINHUA in English 1352
GMT 11 Apr 94*

[Text] Beijing, April 11 (XINHUA)—Li Ruihuan, chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, met here today with Beni Bahadur Karki, chairman of the upper house of Nepal's parliament, and his party.

Li expressed thanks for his warm reception during his Nepal visit at the end of last year.

He said that the two countries, as close neighbours and with a long history of friendship, have neither old contradictions nor new differences and therefore set a good example of developing bilateral ties.

Li said that he was convinced that the current visit by Karki would promote the existing Sino-Nepalese friendly relations.

Karki shared Li's view that the bilateral relations were good, without any differences. He said that he and his colleagues were very pleased to have a chance to visit China.

China had made tremendous contribution to strengthening Nepal-China friendly ties, he said.

Karki expressed his thanks for China's aid and support to the economic development of Nepal, and spoke highly of China's economic achievements.

The Nepalese guests arrived in Lhasa on April 9 to begin a ten-day visit to China at the invitation of the CPPCC National Committee.

XINHUA on Rong Yiren-Al-Qaddumi Meeting
*OW0904095894 Beijing XINHUA in English 0839
GMT 9 Apr 94*

[Text] Beijing, April 9 (XINHUA)—Chinese Vice-President Rong Yiren said here today that China has always insisted that a political settlement for the Mideast issue should be sought on the basis of resolutions adopted by the Security Council of the United Nations.

Rong made the remarks when meeting with Faruq al-Qaddumi, foreign minister of the State of Palestine, who arrived in Beijing on Thursday [7 April] for a six-day visit to China.

Rong said that the signing of the agreement between Israel and the Palestine Liberation Organization (PLO) on implementing a declaration of principles for Palestinian self-rule on the West Bank and in Gaza shows that the Palestinian issue can be solved through peaceful negotiations.

China hopes that the recent U.N. resolutions on occupied territory would be implemented smoothly, he said, adding that parties concerned should continue to work for peace in an all-round manner.

Rong said that China firmly supports the mideast peace process and will, as always, support the just cause of the Palestinians.

Al-Qaddumi, also director of the Political Department of the Palestine Liberation Organization, said that his organization would work patiently and continue peaceful negotiations for an early realization of the legitimate rights of the Palestinians.

**Diplomat Discusses Iraq, Arms Sales To
Pakistan, Korea**

*NC0804145194 Cairo MENA in Arabic 1313 GMT
8 Apr 94*

[Excerpts] Cairo, 8 Apr (MENA)—Chinese Ambassador in Cairo Yang Fuchang has said his country's government and people welcome President Husni Mubarak's forthcoming visit to Beijing. In an interview with MENA, he said President Mubarak is an old friend of China and that this visit will be his sixth trip to China. He noted that every time he visits China, President Mubarak gives new momentum to the good traditional bilateral relations. [passage omitted]

The Chinese ambassador stressed the need to honor Security Council Resolutions 242 and 338 on the Middle East and hoped that the Jerusalem issue will be resolved through negotiations.

On lifting the economic sanctions on Iraq, he explained that they were imposed under particular circumstances but that if we now look at the situation objectively, we will find that Iraq has responded to the Council's recent resolutions. So, he said, sanctions on the humanitarian level must be lifted, primarily to secure food and medicine for the Iraqi people and, as the implementation of the resolutions continues, other sanctions can be lifted, something that is currently being discussed at the Security Council.

On China's arms sales to Pakistan, he said the purchase and sale of arms is something normal in relations between states. The United States, France, and other big powers also sell arms. He added: Our selling arms to Pakistan does not mean we support one party at the expense of another. And it does not mean there is intervention in other countries' internal affairs, so the situation in the region is not aggravated.

Commenting on the Korean issue, the Chinese ambassador said his country believes that the best way to solve the problem is through negotiations between the United States and Korea, between Korea and the International Atomic Energy Agency, and between the two Koreas. He said China stresses that the Korean Peninsula should be free of nuclear weapons and it believes the imposition of sanctions does not help to solve problems but rather complicates them. [passage omitted]

Wang Guangying Meets Iranian Visitors
*OW1104143194 Beijing XINHUA in English 1349
GMT 11 Apr 94*

[Text] Beijing, April 11 (XINHUA)—Wang Guangying, vice-chairman of the National People's Congress Standing Committee, met here this evening with a delegation headed by Hoseyn Sobhani-Nia, chairman of the Iranian-Chinese Friendship Group under the Iranian parliament.

In the afternoon, Meng Liankun, chairman of the Sino-Iranian friendship group under the National People's Congress, held talks with the Iranian guests.

Sub-Saharan Africa

Spokesman Extends Condolences on Leaders Deaths

*OW0804100094 Beijing XINHUA in English 0942
GMT 8 Apr 94*

[Text] Beijing, April 8 (XINHUA)—A Chinese Foreign Ministry spokesman expressed profound condolences

here today on the death of President Cyprian Ntaryamira of Burundi and President Juvenal Habyarimana of Rwanda.

Deep sympathy was also expressed for their families.

China hopes that this event will not adversely affect stability in their countries nor the on-going peace process in Burundi and Rwanda, the spokesman said.

Beijing, Mauritania Sign Mineral Cooperation Agreement

OW0904041894 Beijing XINHUA Domestic Service in Chinese 0902 GMT 7 Apr 94

[Text] Beijing, 7 Apr (XINHUA)—News from Nouakchott: While meeting on 6 April with Zhu Xun, China's minister of geology and mineral resources, Mauritanian President Taya said the sphere of friendly cooperation between Mauritania and China is extensive, developing rapidly, and has now extended to the area of geology and mineral resources. He added that Zhu Xun's current visit is a good beginning for cooperation in the area of geology and mineral resources between the two countries. He expressed the hope that such cooperation will produce practical results. President Taya also said that since Mauritania is very rich in mineral resources, China may take part in their exploration and development.

Mauritanian Premier Boubaker also met with Zhu Xun and his party on the same day. Boubaker said since friendly cooperation between Mauritania and China has played an important role in Mauritania's development, he hoped for the constant development of such cooperation. He added that Mauritania places great hope on cooperation with China in the area of geology and mineral resources.

Minister Zhu Xun's 2-6 April official visit to Mauritania was effected at the invitation of Mohamed Fall, minister of mines and industry of Mauritania. Prior to the conclusion of Zhu Xun's visit, China and Mauritania signed a scientific, technological, and economic cooperation agreement in the sphere of geology and mineral resources.

Eritrean President Meets Shanghai Vice-Mayer

*OW0704141494 Beijing XINHUA in English 1353
GMT 7 Apr 94*

[Text] Shanghai, April 7 (XINHUA)—Visiting Eritrean President Issaias Afewerke said here today that he has known more about China's reform and open-up through his visit to an economic development zone in Shanghai.

The visit, he added, will be helpful for his country to make development plans.

President Issaias Afewerke made these remarks this afternoon when he visited the Minhang Economic and Technological Development Zone located in west suburbs of China's largest industrial city.

The president and his party also paid a visit to a township factory and peasant households here today.

In the evening, Zhao Qizheng, vice-mayor of Shanghai met with the Eritrean visitors on behalf of Mayor Huang Ju of Shanghai.

The Eritrean guests arrived here from Beijing yesterday afternoon.

Angolan Foreign Minister Comments on Visit

*OW1004144694 Beijing XINHUA in English 1424
GMT 9 Apr 94*

[Text] Luanda, April 9 (XINHUA)—Angolan Foreign Minister Venancio de Moura said here today that his recent tour to China has strengthened cooperation between the two countries.

De Moura made the remarks upon his arrival at the Luanda airport after ending his visit to China and India.

He said that during his stay in China he held talks with Chinese leaders over issues of common concerns.

He also asked China to help promote the Angolan peace process.

De Moura visited China from March 29 through to April 3.

Lesotho Foreign Minister Arrives in Beijing

*OW1004130594 Beijing XINHUA in English 1239
GMT 10 Apr 94*

[Text] Beijing, April 10 (XINHUA)—M. J. Qhobela, minister of foreign affairs of the Kingdom of Lesotho arrived here this afternoon for a week-long visit to China as guest of his Chinese counterpart Qian Qichen.

It is learned that Qhobela's visit is aimed at promoting bilateral relations and studying China's reform and opening-up.

Further on Visit

*MB1104183394 Maseru Radio Lesotho in English 1600
GMT 11 Apr 94*

[Text] A Lesotho ministerial delegation to the People's Republic of China led by the honorable minister of foreign affairs, Mr. Molapo Qhobela, has arrived in Beijing. The minister has been invited by his Chinese counterpart for discussions on the resumption of diplomatic links between Lesotho and China. The minister is accompanied by the principal secretary for foreign affairs, Miss (Ntabiseng Mmonoko), and the acting director for political affairs in the Ministry of Foreign Affairs, Mr. (Victor Muteto). The delegation is due to return home on 17 April.

'News Analysis' Views Status of South African Elections

*OW1104210194 Beijing XINHUA in English 1946
GMT 11 Apr 94*

[“News Analysis” by Teng Wenqi: “Crucial Week for S. African April Elections”]

[Text] Johannesburg, April 11 (XINHUA)—A showdown might come out this week among South Africa's chief political players over the situation in the eastern South African province of Natal, the kwaZulu homeland in particular.

President F. W. de Klerk, African National Congress (ANC) President Nelson Mandela, Zulu King Goodwill Zwelithini and Inkatha Freedom Party President Mangosuthu Buthelezi held a crisis summit on April 8 on the situation in Natal and the adjoining kwaZulu homeland.

The Zulu king declared independence of the ‘Zulu Kingdom’ on March 18 and called on the Zulu people to boycott South Africa's first non-racial elections scheduled on April 26-28.

The government and the ANC tried to persuade the king to drop his claim in exchange for a guarantee for the accommodation of the Zulu king position in the new constitution.

However, they did not reach any agreement at the summit except establishing a working group to deliberate on various proposals and report back to the respective leaders on April 14.

This week is considered crucial for the April 26-28 elections as the time is short for more talks and various preparations.

Observers here are suspicious very much on the results of the second meeting of the four leaders due this week.

They do not believe the Zulu king, with the support of Buthelezi, who is also chief minister of the kwaZulu homeland government, will change his position in such a short period. And, his demands are far beyond the government or the ANC to be able to meet.

On the contrary, the observers believe the kwaZulu homeland might face an intensified security crackdown if the last gasp talks this week fail to produce a breakthrough in the electoral impasse.

There are widespread fears that violence in Natal Province might soar if the working group fails to produce any concrete result.

There is deep pessimism in both the government and the ANC circles over the prospects of this week's talks between the four leaders.

‘Even if we manage to reach agreement in the working group—which is possible—it appears that it will be blocked by the Inkatha Freedom Party leadership,’ said a senior government official.

Mandela expressed his intention to meet with the Zulu king again after their talks on April 8. But the king has not responded by now.

With the failure of the four-way crisis summit on April 8, it is understood that security measures will be considerably intensified in Natal Province if tension there continues to lead to bloodshed.

This week is also crucial to the kwaZulu homeland and the Zulu monarchy. The low-key civil war raging in the region could escalate and become out of control.

Constitutional Development Minister Roelf Meyer said yesterday about 60 percent of Natal's inhabitants would be able to participate freely in the elections, but the Inkatha Freedom Party supporters are scaring people away from the elections.

Meyer warned that if the elections were postponed, the future of the country would be determined by radical elements of the left and the right, and that a Bosnian-style situation would appear in South Africa.

People in South Africa are watching the development of the situation in the country with great concern and care.

West Europe

Reportage on Portuguese Prime Minister's Visit

Meets With Li Peng

OW1104134694 Beijing XINHUA Domestic Service in Chinese 0807 GMT 11 Apr 94

[By reporter Feng Xiuju (7458 4423 5468)]

[Text] Beijing, 11 Apr (XINHUA)—Premier Li Peng and Portuguese Prime Minister Silva this morning agreed that the Joint Declaration on the Macao issue signed by the governments of the two countries seven years ago is “a historic document with far-reaching significance.” They pledged to strengthen Sino-Portuguese cooperation to ensure a smooth transition of Macao and its stability and development.

The two leaders made the pledge when they talked to Chinese and Portuguese reporters on the occasion of the seventh anniversary of the signing of the joint declaration.

Li Peng noted that Silva's visit bears a special significance as it coincides with the seventh anniversary of the joint declaration.

He said: The Sino-Portuguese Joint Declaration is a historic document with far-reaching significance. It has set an example for other countries in settling problems

left behind by history. Since the signing of the joint declaration, friendly relations and cooperation between China and Portugal have developed smoothly. Both sides have earnestly implemented the joint declaration, and cooperation on the Macao issue has yielded fruitful results.

Li Peng said: Macao enjoys social stability and economic growth with its residents living a peaceful and happy life. This is the result of joint efforts made by China and Portugal. China and Portugal share the common goal and common interests in ensuring Macao's smooth transition, stability, and development.

He expressed the conviction that with continued joint efforts and more effective friendly cooperation, Macao's smooth transition and power transfer will be realized.

Silva said: He and his Chinese counterpart signed the joint declaration in Beijing seven years ago. It is a historic event. The declaration accords with the two sides' common desire of resolving the Macao question through frank, sincere, and friendly dialogue between the two governments.

He said: "Such a spirit has continued to this day, and we will continue to preserve and carry it forward."

He said: "The ways and means for the settlement of the Macao issue enshrined in the joint declaration have two objectives: First, we want ensure Macao's stability and economic and social progress as well as its residents' confidence in the future; second, we want to boost relations between Portugal and the PRC from a new angle."

He said: "Today, the reason we mark the seventh anniversary of the joint declaration lies in the fact that the declaration has been implemented smoothly."

Silva said: As he began his official visit to China, he would like to reaffirm that the Portuguese Government will earnestly implement the stipulations of the joint declaration and continue the dialogue between Portugal and China on the Macao question so as to ensure Macao's stability and progress and to maintain the residents' way of life and the special features of their culture after 1999.

He said: Portugal and China will fulfill their historical obligations and make stronger the link between the two peoples by way of ensuring Macao's stability, especially as Macao is the strongest point of the link.

Prior to the ceremony, Premier Li Peng presided over a welcoming ceremony in honor of Prime Minister Silva, his wife, and other members of his party at the square off the east gate of the Great Hall of the People.

Zhu Lin, Li Peng's wife; Vice Premier and Foreign Minister Qian Qichen; Feng Zhijun, vice chairman of the Central Committee of the China Democratic League; and Liu Xiliang, chairman of the Chinese Government

reception committee and vice minister of radio, film, and television, attended the welcoming ceremony.

Meets With Rong Yiren

*OW1204110294 Beijing XINHUA in English 0736
GMT 12 Apr 94*

[Text] Beijing, April 12 (XINHUA)—Chinese Vice-President Rong Yiren has said that China wishes to work hard together with the Portuguese Government to give an impetus to bilateral ties and cooperation in every field between the two countries.

Rong made the remarks at a meeting with visiting Portuguese Prime Minister Anibal Cavaco Silva here today.

Developing a closer Sino-Portuguese relationship conforms to the aspirations and interests of the two peoples, Rong said.

"It is our hope that the two countries will make concerted efforts to open up new areas for cooperation," he added.

Rong noted that at present China enjoys political stability and fast economic growth while the legal system and the investment environment are being further improved. More Portuguese entrepreneurs are welcome to China to do business or invest, he said.

Silva said that as soon as he arrived in China he was accorded a warm reception by the Chinese Government and people.

He described his talks with Chinese Premier Li Peng as "fruitful", which he said had boosted his confidence in expanding trade and bilateral economic ties.

Silva expressed the belief that the two sides will continue their good cooperation in implementing the Sino-Portuguese joint declaration on the question of Macao.

He said Portuguese entrepreneurs have shown great interest in China's market, hoping that bilateral economic ties and trade will be as good as the political ties.

Good Relations Stressed

LD1104195894 Lisbon RTP Internacional Television in Portuguese 1800 GMT 11 Apr 94

[Excerpt] Prime Minister Cavaco Silva is in China. He is accompanied by dozens of businessmen wanting to secure a market of almost 2 billion people. Paulo Lavadinho reports from Beijing.

[Lavadinho] This is the largest ever delegation to accompany the prime minister. He arrived in Beijing seven years after having signed with Prime Minister Zhao Ziang the Joint Declaration on Macao. It was at the People's Palace, where this morning, after receiving military honors in Tiananmen square, he held the first official meetings.

During the welcoming ceremony, the Chinese prime minister stressed the excellent relations between the two countries and expressed his government's satisfaction over the transition period in Macao. Cavaco Silva also recalled his government's wish to resolve all matters pertaining to the territory, always at the negotiating table.

[Begin Cavaco Silva recording] Furthermore, I would like to stress—as I did seven years ago—the commitment of the Portuguese Government to the implementation of the articles enshrined in the Sino-Portuguese Joint Declaration and to the continuing dialogue between Portugal and China regarding Macao with a view to giving its people stability and progress and the safeguarding of their way of life and cultural specificity after 1999. [end recording]

[Lavadinho] No details regarding the talks have emerged. At dinner Cavaco Silva and Li Peng talked once more about the unresolved issues regarding Macao. However, both heads of government advocated good relations between China and the EU. [passage omitted]

XINHUA Reports Talks, Loan Agreement
*OW1104131494 Beijing XINHUA in English 1242
GMT 11 Apr 94*

[Text] Beijing, April 11 (XINHUA)—Chinese Premier Li Peng and visiting Portuguese Prime Minister Anibal Cavaco Silva today pledged that they will make joint efforts to further strengthen friendly bilateral ties and promote good cooperation on the issue of Macao.

The two premiers expressed the pledge during their talks at the Great Hall of the People here this morning.

Li said that relations between the two countries have developed smoothly since they established diplomatic ties 15 years ago.

Especially over the past few years, he added, the exchange of visits between high-ranking officials of the two countries has increased and the bilateral relationship has been growing.

Li said China places great importance on its economic relations and trade with Portugal on the basis of equality and mutual benefit and will send a purchasing group to Portugal at an appropriate time.

Extending his warm welcome to Portuguese entrepreneurs who are accompanying the prime minister on the visit, Li said it is his hope that industrialists and businessmen of the two countries will have wide contacts and explore various ways for cooperation, to enable bilateral trade to rise by a big margin and expand the scale of bilateral economic cooperation.

Praising the fruitful cooperation between China and Portugal on the issue of Macao, Li said the Macao

society is stable and its economy is growing steadily. The residents of Macao have full confidence in its future, he said.

The facts demonstrate that earnestly implementing the Sino-Portuguese Joint Declaration conforms to the interests of the two countries and cooperation benefits them both.

He expressed the belief that so long as the two sides, as always, act in accordance with the spirit of friendly consultation, various issues concerning the transitional period of Macao can be properly settled and Macao can realize a stable transition and smooth transfer of power in 1999.

Silva said he was very pleased to have the chance to revisit China on the occasion of the 7th anniversary of the signing of the Portugal-China Joint Declaration on the question of Macao.

He expressed the hope that this visit will give impetus to the smooth implementation of the joint declaration and promote the growth of bilateral relations.

Silva said the Portuguese Government consistently attaches great importance to its relations with China. He has brought a large delegation of entrepreneurs with him to China, which he said vividly shows that the Portuguese Government and entrepreneurs have sincere aspirations for and are eager to develop Portugal-China economic ties and trade.

He said the Portuguese Government and people pay great attention to the question of Macao and are looking attentively at Macao's future and stability.

"What we are gratified at is that the two countries have had very good cooperation on the question of Macao in the spirit of friendly trust.

"The joint declaration is being implemented smoothly, which gives us full confidence in Macao's future," he said.

On international issues, Li said that after the end of the Cold War, the world people's demands for the establishment of a new international political and economic order has daily become stronger.

This is the need of the times and also the inevitable result of the development of the international situation, he said.

Li said the new world order should be based on the five principles of peaceful co-existence. Countries, big or small, strong or weak, rich or poor, all have the right to be involved in international affairs and can make their due contributions to this end.

He said international affairs should not be decided by one or several big powers in the world. Therefore China supports the current world trend toward multipolarization.

The Chinese premier said China attaches great importance to developing its ties with European countries, adding: "We have no conflicts of interests and our economies are mutually complementary and have great potential."

He said China thanks Portugal for its support of the resumption of China's status as a signatory party to the General Agreement on Tariffs and Trade (GATT).

During the talks, Li recalled with pleasure his visit to Portugal in February 1992.

Silva invited Li Peng to visit Portugal again and the Chinese premier expressed his thanks and accepted the invitation with pleasure.

Chinese Vice-Premier and Foreign Minister Qian Qichen and visiting Portuguese Foreign Minister Jose Durao Barroso participated in the talks.

After the talks the two premiers attended a ceremony for signing a framework loan agreement between the Bank of China and the National Overseas Bank of Portugal (Banco Nacional Ultramarino).

According to the agreement, the Portuguese bank will provide the Bank of China with a credit line of 200 million U.S. dollars.

This is the first instrument of credit between the banks of the two countries and also the largest credit agreement signed between the two countries.

This evening, Li Peng hosted a banquet here in honor of Silva and his wife and their party.

Zou Jiahua Meets Hungarian Delegation

OW1004123594 Beijing XINHUA in English 1108 GMT 9 Apr 94

[Text] Beijing, April 9 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with a Hungarian delegation headed by Janos Latorcai, minister of industry and trade, here this afternoon.

The delegation arrived here yesterday at the invitation of the Chinese State Planning Commission (SPC). Apart from Beijing they are also scheduled to visit Shanghai, China's largest economic center.

Minister on Opportunities, Debt

LD0904185894 Budapest Kossuth Radio Network in Hungarian 0600 GMT 9 Apr 94

[Excerpts] Janos Latorcai, Hungarian minister for industry and trade, who is on a visit to China, has met Hungarian journalists in Beijing including Sandor Svabi, correspondent of the Chronicle.

[Svabi] [passage omitted] According to Janos Latorcai, Hungarian industry still has serious opportunities in China, but the help of the Hungarian Government is necessary for its success. [passage omitted]

Latorcai denied allegations that the Hungarian National Bank had sold to German firms the Chinese state's debts to Hungary. He said that this year, Beijing would like to settle the Chinese trade deficit of 108 million Swiss francs. It has been mentioned that China would repay the debt through Chinese goods.

By the way, the minister described his negotiations in China as definitely successful. Several preliminary agreements have been concluded. Discussions are being held about the creation of a plant that would assemble Hungarian buses in China and about participation by Hungarian firms in the construction of the giant hydropower station on the Chang Jiang River.

Albanian Parliament Speaker Praises Market Economy

OW1004040194 Beijing XINHUA in English 0315 GMT 10 Apr 94

[Text] Tirana, April 10 (XINHUA)—It is a positive step for China to develop a market economy with its own characteristics, Albanian Parliament Speaker Pjeter Arbnori told XINHUA here before his coming visit to China.

Arbnori, who is leaving for China Monday (11 April) at the invitation of the Chinese National People's Congress (NPC) for the first visit of its kind in about 20 years, will be the highest-ranking Albanian official to travel to China since the Albanian Democratic Party came to power in 1992.

He said that significant changes have taken place in both Albania and China and ideology is no longer the condition for developing relations of cooperation.

Recent years have witnessed rapid progress in China in various areas and that is to the credit of, above all, the introduction of a market economy, Arbnori said.

"Sure," the Albanian speaker added, "China is developing a market economy with Chinese characteristics in the light of its specific conditions. That is positive."

Noting that there exist no obstacles to expanding ties between the two countries, which have broad prospects for cooperation, he predicted that the bilateral relations will further improve and develop.

He stressed that "Albania adheres to a very important principle, that is to recognize only one China—the People's Republic of China."

He hoped that China will contribute to the peaceful solution of the Balkan issue as it is playing an important role in major world affairs as a permanent member of the U.N. Security Council.

During his visit to China, Arbnori said, he will learn more about the NPC's work, China's experience in building the legal system and the progress in China's economy.

Parliament Speaker Departs

*OW1204011194 Beijing XINHUA in English 0049
GMT 12 Apr 94*

[Text] Tirana, April 11 (XINHUA)—Albanian Parliament Speaker Pjetër Arbnori left here today for China for an official visit at the invitation of the Chinese National People's Congress (NPC).

Arbnori, who is making the first visit of its kind in about 20 years, will be the highest-ranking Albanian official to travel to China since the Albanian Democratic Party came to power in 1992.

In a recent interview with XINHUA, Arbnori said the visit will offer him a chance to learn more about the NPC's work, China's experience in building the legal system and the progress in China's economy.

China, Croatia Sign Agreement on Science Cooperation

*OW1104142894 Beijing XINHUA in English 1350
GMT 11 Apr 94*

[Text] Beijing, April 11 (XINHUA)—An agreement on science and technology cooperation between China and Croatia was signed here today.

Huang Qitao, Chinese vice-minister of the State Science and Technology Commission and Branko Jeren, Croatian minister of science and technology signed the agreement on behalf of their respective governments.

Shanghai Delegation Leaves Milan for Hamburg

OW1004100094 Shanghai People's Radio Network in Mandarin 2300 GMT 9 Apr 94

[From the "Morning News" program]

[Text] A Shanghai municipal delegation headed by Mayor Huang Ju wound up a visit to Italy and departed Milan for Hamburg on 8 April to continue its tour of Europe.

While in Milan, Mayor Huang Ju and the delegation were given a grand reception by its mayor, (Vermendini). The Milan city mayor attended a seminar "Shanghai, the Door of China, and the Opportunity for Italian Enterprises."

At the seminar Huang Ju briefed some 300 Italian entrepreneurs about Shanghai's strategic position in the Chinese economy as well as its changes since reform and opening up—especially in the past three years—and its prospects for future development. He invited Italian entrepreneurs to invest in setting up plants in, and to conduct economic and trade cooperation with Shanghai.

At the seminar, many personages from Italian business circles held discussions with members of the Shanghai delegation in search of possibilities of cooperation.

Mayor Huang Ju and the delegation were also accorded a warm reception from Venice Mayor (Cachari).

Technology Exchange Fair Opens

OW1004101194 Shanghai People's Radio Network in Mandarin 2300 GMT 9 Apr 94

[From the "Morning News" program]

[Text] In accordance with an agreement on exchange and cooperation between Shanghai and its sister city, Hamburg, Germany, a four-day 1994 Shanghai technology exhibition and exchange fair opened at the International Conference and Exhibition Center in Hamburg on 9 April.

Some 90 research institutes, schools of higher learning, and industrial enterprises from Shanghai demonstrated their scientific and technological achievements in recent years with the display of material objects and models.

Shanghai Mayor Huang Ju, who has been visiting Germany, and Hamburg city's (Fusslaugh) spoke at the opening ceremony. They cut the ribbons for the fair.

Shanghai Awards Traffic Planning Contract to UK Firm

*OW0804114894 Beijing XINHUA in English 1045
GMT 8 Apr 94*

[Text] Shanghai, March 8 (XINHUA)—Oscar Faber TPA Ltd. of Britain will provide a draft traffic plan for the central business district of Shanghai by the end of June, according to a contract signed here today.

The central business district of Shanghai covers the 17-square kilometer Lujiazui on the eastern bank of the Huangpu River and the bund on the western bank of the river. It will become the busiest district in Shanghai, with a population of more than 200,000 and a floating population of 500,000. The situation has put a strict demand on the arrangements of communications network.

To guarantee quality of the plan, Shanghai Municipal Government decided to seek advice from professional foreign firms. Oscar Faber TPA Ltd. beat five well-known traffic planning agencies from Britain, Japan and the United States, to win the contract.

Turkish Official Previews President's Visit

*OW0804210794 Beijing XINHUA in English 2004
GMT 8 Apr 94*

[Text] Istanbul, March 8 (XINHUA)—Turkey hopes that Turkish President Suleyman Demirel's visit to China, which will take place on April 14, will further strengthen the relationship between the two countries, Foreign Ministry spokesman Ferhat Ataman said today.

In an interview with XINHUA today, Ataman said that the relationship between Turkey and China is based on the mutual respect of territory integrity.

"We believe that our trade and other relations, especially the economic relations, can be further developed," the minister said.

He added that China is very strong and has a very strong economy, "and we are following with great interest the huge economic development in China."

Spokesman on Visit Postponement

**OW1204031794 Beijing XINHUA in English 0310
GMT 12 Apr 94**

[Text] Beijing, April 12 (XINHUA)—The scheduled state visit to China by the Turkish President Suleyman Demirel from April 14 to 18 has been postponed, due to domestic situation, a spokesman of the Chinese Foreign Ministry announced here today.

Chinese, Turkish Trade Officials Meet

**OW1104143794 Beijing XINHUA in English 1357
GMT 11 Apr 94**

[Text] Beijing, April 11 (XINHUA)—The Chinese and Turkish trade officials met here today for the 10th session of the Sino-Turkish Joint Commission of Economy and Trade.

The session was co-chaired by Yang Wenxeng, Chinese assistant minister of foreign trade and economic cooperation, and Osman Dogangun, Turkish under-secretary for treasury and foreign trade.

During the session, the two sides exchanged views on development of bilateral trade and economic cooperation.

Jiang Zemin, Zhu Rongji Meet France's Balladur

OW0904002094 Beijing XINHUA Domestic Service in Chinese 1400 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—Chinese President Jiang Zemin and Vice-Premier Zhu Rongji respectively met visiting French Prime Minister Edouard Balladur and exchanged views with him on promoting Sino-French relations here this afternoon.

Jiang emphasized that it is very important to maintain a sound cooperative relation between China and France in a complex and volatile world.

Zhu said it takes time to restore and improve Sino-French trade and economic relations. He believes they will grow quickly through joint efforts.

Balladur said the two countries have identical or similar views in many fields, and there is a large room to improve bilateral ties.

The meeting between Jiang Zemin and Balladur took place in Zhongnanhai. Jiang hailed the normalization of Sino-French relations, and appreciated Balladur's efforts in restoring and improving bilateral ties after he took office.

Jiang believed that Balladur's current tour will lead to further development of Sino-French relations.

Jiang said China and France, with long history and splendid cultures, have contributed greatly to the world civilizations, and the two peoples enjoy traditional friendship and friendly cooperations. Many Chinese leaders of the older generation studied and lived in France.

Jiang said since China and France established diplomatic ties some 30 years ago, effective cooperation in the fields of politics, economy and trade, science and technology and culture have been conducted, despite the difficulties and bumps facing the two countries.

"We consider it very wise and foresighted decision made by late Chairman Mao Zedong, Premier Zhou Enlai and General de Gaulle to cement diplomatic ties when looking back the development of Sino-French relations," Jiang said. [sentence as received]

He emphasized that as permanent members of the UN Security Council, China and France should contribute more to safeguarding world peace and security, he said.

China and France have good basis of cooperation given that they have no fundamental interests conflicts while holding identical or similar views on many major international issues, he said. [sentence as received]

The two countries are complementary economically, which provide good conditions for trade and economic cooperation, Jiang said, adding that he believe Sino-French trade and economic cooperation will rise to a new height and a lot more concerned will be done once a favourable political atmosphere is created and bilateral political relations improved.

Balladur extended President Mitterrand's greetings to Jiang and invited him to visit France on behalf of Mitterrand.

Balladur said Mitterrand looked forward to further development of France-China relations.

Jiang thanked for the invitation and asked Balladur to convey his greetings to Mitterrand.

In another meeting held at the Diaoyutai State Guest House, Vice-Premier Zhu Rongji told Balladur that China appreciates his speech in Paris that France-China relations have entered a new phase.

Zhu added that China is willing to exert efforts to develop its relations with France.

Balladur said his talks with Premier Li Peng yesterday indicated that France and China share many identical or similar views, there is a great potential for improvement of bilateral cooperation.

Zhu and Balladur exchanged views on how to develop Sino-French trade and economic relations in friendly atmosphere.

12 April 1994

He also briefed the guest on China's reform and opening-up.

Among those present at the meeting were chairman of the Chinese Government Reception Committee and Minister of Power Industry Shi Dazhen, French Foreign Minister Alain Juppe and Minister of Industry, Posts, Telecommunications and Foreign Trade Gerard Longuet.

Besides meeting with Chinese leaders, the French Prime Minister visited Beijing Zhong-Pu Electro Refractory Co., Ltd. and the Forbidden City this morning.

Zhong-Pu is the first joint venture in the Chinese electro refractory industry, co-sponsored by the original Beijing Glass Refractory Factory and S.E.P.R., a French company taking a leading position in the electro fused industry world-wide.

Balladur expressed his admiration when seeing the well-preserved Forbidden City, saying "Chinese, like other peoples in the world, have bestowed new vitality on history."

Tian Jiyun, vice-chairman of the Standing Committee of the National People's Congress, today met and hosted a banquet for the two vice-presidents of France's National Assembly, Gilles de Robien and Pierre-Andre Wiltzer, accompanying Balladur to China.

Latin America

Reportage on Chi Haotian's Latin American Visit

Meets With Brazilian President

OW100404994 Beijing XINHUA Domestic Service in Chinese 0747 GMT 6 Apr 94

[By reporter Zhao Xiaozhong (6392 2356 6988)]

[Text] Brasilia, 5 Apr (XINHUA)—Brazilian President Itamar Franco on 5 April met Chi Haotian in Brasilia. Chi, Chinese state councillor and concurrently defense minister, is currently on a visit to Brazil.

Chi Haotian conveyed President Jiang Zemin's greetings to Franco, saying that the Chinese president is looking forward to the Brazilian president's visit to China next month. He added that the expansion of friendly relations between China and Brazil is of great importance to regional and world peace.

Franco expressed appreciation for President Jiang Zemin's greetings and asked Chi Haotian to relay his regards to the Chinese president. At the meeting, the Brazilian president emphasized that China and Brazil are two important countries in the current global structure and they will play an even greater role in the next century.

Delighted with the visit by Chi Haotian and his retinue, Franco underscored the visit's significance to developing

bilateral ties. He noted that impressive progress has been made in cooperation between the two countries in trade, science and technology, and aviation in recent years. He is fully confident of the success of his May visit to China.

Lieutenant General Li Laizhu, commander of the Chinese People's Liberation Army (PLA) Beijing Military Region; Lieutenant General Yu Zhenwu, deputy commander of the PLA Air Force; and Major General Fu Jiaping, director of the Defense Ministry Foreign Affairs Bureau, who accompanied General Chi Haotian on the Brazil visit, were present at the meeting. Chinese Ambassador to Brazil Yuan Tao also attended.

This afternoon, Chi Haotian met with Brazilian Army Secretary Zenildo. The two leaders expressed good wishes for developing ties between the two countries' armed forces.

Chi Haotian and his retinue arrived in Rio de Janeiro on 2 April to begin an eight-day official goodwill visit to Brazil. He will also visit Uruguay and Chile.

Departs for Uruguay

*OW100404994 Beijing XINHUA in English 0409
GMT 10 Apr 94*

[Text] Brasilia, April 9 (XINHUA)—Chinese Defense Minister Chi Haotian ended an eight-day official visit to Brazil today following discussions with Brazilian officials on improvement of relations between the two countries.

Chi left Sao Paulo for Montevideo, Uruguay, to continue his current South America trip, which has been the first by a Chinese defense minister since the founding of the People's Republic of China in 1949.

Chi started his tour of Brazil on April 2 and visited Rio de Janeiro, Brasilia and Sao Paulo.

During the stay in Brazil, Chi met with Brazilian President Itamar Franco, Army Minister Zenildo Gonzaga Zoroastro de Lucena, Chief of the Military House of the Presidency Fernando Cardoso and other senior officials for discussions on wide-ranging topics, including the improvement of relations between the armed forces of the two countries.

At a meeting on April 5 in Brasilia, Chi and the Brazilian president agreed that the expansion of friendly relations between China and Brazil will promote world stability, peace and development.

Brazil was the first stop of Chi's current South America trip, which will also take him to Chile after the visit to Uruguay.

Arrives in Uruguay

*OW1004060394 Beijing XINHUA in English 0532
GMT 10 Apr 94*

[Text] Montevideo, April 9 (XINHUA)—Chinese Defense Minister General Chi Haotian arrived here today to start a four-day official visit to Uruguay on the second leg of a three-nation South American tour.

Uruguayan Defense Minister Daniel Hugo Martins met Chi at the airport.

General Chi flew in from Brasilia after concluding an eight-day visit to Brazil.

During his stay in Uruguay, Chi will hold talks with Uruguayan leaders and senior military officials on promotion of relations between the two countries. He will also visit military facilities in the country.

In an arrival statement delivered at the airport, Chi said his visit to Uruguay is designed to promote the development of relations between China and Uruguay and between the armed forces of the two countries.

Chi's current South American trip is the first by a Chinese defense minister since the founding of the People's Republic of China in 1949.

After the visit to Uruguay, Chi will also travel to Chile to continue his South American tour.

Welcome by Defense Minister

*OW1104025794 Beijing XINHUA in English 0157
GMT 11 Apr 94*

[Text] Este, Uruguay, April 10 (XINHUA)—Uruguayan Defense Minister Daniel Hugo Martins held a reception for his visiting Chinese counterpart Chi Haotian today in the country's famous resort of Punta del Este.

Chi arrived in Uruguay Sunday [10 April] for a four-day official visit after concluding an eight-day visit to Brazil.

At the reception, Martins said that Uruguay and China have many points in common, the most notable of which is that both of them are working for peace in the world.

Chi expressed satisfaction with the development of the bilateral relations in various fields and the beginning of successful cooperation.

He praised the social stability and sustained economic growth in Uruguay, which has won international respect for its non-intervention, support for the peaceful solution to disputes and active participation in regional and global issues.

Chi's current three-nation South American trip is the first by a Chinese defense minister since the founding of the People's Republic of China in 1949.

After the visit to Uruguay, Chi will also travel to Chile to continue his South American tour.

Hu Jintao To Visit Latin American Countries

*OW0904094394 Beijing XINHUA in English 0835
GMT 9 Apr 94*

[Text] Beijing, April 9 (XINHUA)—Chinese Communist Party's senior leader, Hu Jintao, is to visit Argentina, Brazil and Uruguay in the latter half of April.

Hu, one of the seven Standing Committee member of the Political Bureau of the party's Central Committee, revealed the plan when he met with the ambassadors to China of the three countries here today.

Hu will lead a party delegation to these three countries at the invitation of the Justicialist Party of Argentina, the Brazilian Government and the Blanco (National) Party of Uruguay.

Hu told the ambassadors that his visit is aimed at "deepening friendship, strengthening cooperation, promoting peace and pushing forward development."

He described the three countries as important states in Latin America which is a continent occupying an important place in the world.

He said that due to joint efforts, China's relations with the three countries have developed smoothly with bilateral cooperation expanding in various fields and holding broad prospects.

Over the past years, Hu said, the Chinese Communist Party has maintained friendly relations with the major political parties in the three countries, and party exchanges have played an active role in deepening mutual understanding and friendship and enhancing cooperation.

"I am sure that through the visit, I will be able to know more about your countries' successes and experience in economic construction, explore possibilities for expanding cooperation and make more friends," Hu told the ambassadors.

The three envoys, Argentina's Carlos Lucas Blanco, Brazil's Joao Augusto de Medicis and Uruguay's Julio Duranona, assured Hu that they will continue to work for the friendship and cooperation between their respective countries with China.

They also wished Hu's visit a success.

Political & Social

Rong Yiren, Intellectual Property Leader Meet
OW0804181494 Beijing Central People's Radio Network in Mandarin 1030 GMT 23 Mar 94

[From the "National Hookup" program]

[Text] Vice President Rong Yiren met with Dr. Arpad Bogsch, director general of the World Intellectual Property Organization [WIPO], and his wife at the Great Hall of the People here this morning. Dr. Bogsch is an old friend of the Chinese people. This is his 15th visit to China.

Rong Yiren said: As China's economy develops and as its reform and opening deepen, it has become increasingly aware of the importance of protecting intellectual property rights. Since signing a series of intellectual property rights conventions, China has become more keenly aware of protecting intellectual property rights. We must strengthen education to let all our people clearly and correctly understand this.

He pointed out: The symposium in Kunming on Asian copyright protection cosponsored by China's State Copyright Administration and the WIPO will provide a good educational opportunity.

He continued: The Chinese Government supports the protection of intellectual property rights and will make constant efforts to improve work in this field.

Dr. Bogsch said: The Chinese Government has adopted a prudent policy on intellectual property rights. The WIPO has cooperated with China for more than 20 years. The Chinese Government has attached great importance to enacting laws as well as rules and regulations governing intellectual property rights. This will bring benefits to China's foreign relations, to its economic development, and to its economic, trade, and cultural exchanges with other countries.

Li Tieying Urges Further Development of Sports
OW0804171594 Beijing XINHUA in English 1434 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—One Chinese leading official called in a national sports meeting here on Friday [8 April] that all sports officials should explore a new way for further development of sports in the country.

Li Tieying, State Councillor and member of the Political Bureau of the Chinese Communist Party, said that the new way should be adapted to the socialist marketing economy system.

"The new way should be in line with the law of the modern sports development, be beneficial to the construction of the socialist spiritual civilization and be helpful to meet the increasing needs of the Chinese people to sports," he said.

He praised sports officials, coaches as well as athletes for their success in the past years.

China gave the world a surprise in the year 1993 when Chinese athletes collected a total of 103 world titles and broke 57 world records including those set by star long distance women runners.

The state councillor said the achievements that China had in sports demonstrated great intelligence and sports talents of the Chinese people. "So long as we have tried our best, we could scale new peaks in sports one after another," he added.

Hu Jintao Urges Study of Deng Xiaoping's Works
OW0804134594 Beijing XINHUA in English 1250 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—Hu Jintao, member of the Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party (CPC), today stressed the necessity of applying the theory of Deng Xiaoping on building socialism with Chinese characteristics in solving practical problems.

At the opening session of the third high-ranking official class for studying Deng's works, Hu, who is the president of the Central Party school, said there may be many new situations, new contradictions and new problems that need to be solved this year as the country will produce a series of major reform measures covering a wide range of areas in breadth and depth that is unprecedented in history.

He said that it is essential to handle well the relations among reform, development and stability and the organic integration of the three aspects of work will ensure a sustainable, fast and healthy development of the economy and maintain stability in the process of development.

Hu also stressed the importance of doing well in promoting socialist culture and ethics, saying that "the heavier the tasks, the more complicated the situation and the more contradictions there are, the greater attention we should pay to promoting socialist culture and ethics, to arming the people with scientific theories, inculcating into the minds of the people with lofty ideals and encouraging them with fine works."

He urged the leading officials attending the class to make an in-depth study of such problems of how to carry on with the anti-corruption struggle, crack down on criminal activities and strengthen the building of clean government.

He drew particular attention to such problems as how to strengthen and improve party leadership and party building and how to better display the central role of the Communist Party in reform and the modernization drive under the conditions of a market economy.

Ding Guangen, member of the Political Bureau of the CPC Central Committee, presided over the session.

Peng Peiyun Stresses Family Planning Work in Hainan

OW0904093894 Beijing XINHUA in English 0747 GMT 9 Apr 94

[Text] Haikou, April 9 (XINHUA)—Peng Peiyun, State Councillor and minister in charge of State Family Planning Commission, recently called for enhancing family planning, medical and public health work in the rural areas.

In her recent inspection tour in Hainan Province, Peng said that although Hainan has achieved progress in population control in the past three years, the tendency of fast growth of the population in the province remains in the province.

She said that the leaders at various level should realize the arduousness of the task of the family planning.

She said that under the condition of establishing socialist market structure, it is one of the functions of the government in controlling the growth of population.

She said that the viewpoint of controlling population growth with market regulation cannot meet the demands of China's population plan.

She urged the grass-root units in Hainan to enhance family planning work by integrating the work with economic development in rural areas.

Peng also affirmed Hainan's methods in introducing funds, talents and technology in the development of public health services.

She called for setting up medical and public health work in rural areas as one of key works and solving the problems in public health work.

Li Lanqing Notes Successes in Antismuggling Campaign

OW0904161394 Beijing Central People's Radio Network in Mandarin 1030 GMT 13 Mar 94

[From the "National Hookup" program]

[Text] Li Lanqing, State Council vice premier and head of the national leading group for cracking down on smuggling activities, recently pointed out at the third meeting of the national leading group for cracking down on smuggling activities that the nationwide struggle against smuggling has achieved success in the past period, and that launching the struggle against smuggling

in a persistent and deep-going manner and preventing a resurgence of smuggling activities would be the main tasks for this year.

Since last August, various locales in the country have launched a large-scale joint struggle against smuggling activities and have punished a number of lawbreakers who engaged in smuggling. In the past six months, authorities in various locales of the country have investigated and handled more than 12,000 smuggling cases involving a total of 2.64 billion yuan.

Li Lanqing pointed out: In this year's struggle against smuggling, we should strengthen the leadership over the struggle against smuggling. We should concentrate our efforts on cracking down on specific cases in light of some serious issues of smuggling, and we should consider the struggle against smuggling to be an important part of the struggle against corruption and should grasp the work ceaselessly.

Commentary Condemns Mob Attacks Against Inspectors

OW1104182294 Beijing XINHUA Domestic Service in Chinese 1328 GMT 11 Apr 94

[Commentary by unidentified XINHUA special commentator: "Severely Punish Lawbreakers Who Mob and Beat Up Price Inspectors"]

[Text] Beijing, 11 Apr (XINHUA)—Since 1983, when the State Council gave the go-ahead to the establishment of price inspection organs, the vast number of price inspectors have performed their duties honestly, cautiously, and conscientiously and have enforced the law strictly and impartially, thus playing an important role in advancing reform, promoting development, and preserving stability. The work of price inspection departments has won praise from all sectors of society and the public. The party and government have fully affirmed and highly valued their work.

Price inspection departments are law-enforcement administrative departments of the government, and price inspectors exercise their functions on behalf of the state. All enterprises and individuals engaged in production or business and administrative units or institutions that charge fees are subject to inspection without exception. Taken together, the overwhelming majority of units and individuals that are subject to inspections are supportive of and cooperative toward price inspections. There are, however, indeed a handful of units and individuals—privately run enterprises and self-employed industrial and commercial entities in particular—who interfere with, obstruct, or even refuse to be inspected. Some even threaten, abuse, mob, and beat up inspectors. The incident in Xinzhou city, Shanxi Province, in which price inspectors were mobbed and beaten up shows how lacking is awareness of the law among this handful of units and individuals. Some people declare that because prices have been deregulated, they are free

to set their own prices, free to cheat and hustle consumers by any means, and free from government supervision and price inspection. They are greatly mistaken.

Obstructing price inspectors from carrying out their official duties is a rather prominent problem today. Governments and departments concerned at all levels must take it seriously and pay close attention. Article 34 of the "Provisions of the People's Republic of China Concerning Price Inspection" provides: When a party refuses to permit or obstructs price inspectors from carrying out their duties according to the law, he shall be punished by a public security department pursuant to the provisions of the "Regulations Governing Offenses Against Public Order of the People's Republic of China"; in cases of gross violation or when a crime has resulted, the judicial department shall investigate the party's criminal responsibility according to the law. Governments and departments concerned at all levels must take immediate, effective action to protect the personal safety of price inspectors and ensure the smooth progress of the general price inspection.

State Price Inspection in Liaoning

SK1204034594 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 11 Apr 94

[Text] On the morning of 11 April, the work team of the State Council, which comes to Liaoning to conduct mass inspection over commodity prices, listened to the province's work briefing on price inspection. Wen Shizhen, member of the provincial party standing committee and executive vice governor of the province, briefed the State Council's price inspection team on the province's economic situation and price inspection work on behalf of the provincial people's government. Vice Governor Wen Shizhen said: The province's present level of general commodity prices is fine. However, prices for the means of production show a faster increase and the rise and fall of prices for products turned out by the state-owned enterprises is relatively large. Enterprises are being heavily affected by the prices of material supplies. If we fail to improve the situation in a timely manner, it will adversely affect the social stability and the improvement of the people's lives. He said: The market economy has set forth new demands for shifting the governmental function. Departments in charge of commodity prices at all levels should enhance the market calculation while grasping the macroeconomic readjustment and control in a timely manner, report on time the fluctuation in commodity prices, and perform their bound duties to make the economy prosperous and improve people's lives.

During the briefing Hao Dechun, deputy director of the provincial price bureau, also delivered a speech in which he said: After the telephone conference sponsored by the State Council and the provincial people's government on making work arrangements for price mass inspection on 7 March, the people's governments of various cities have attached great importance on the arrangements; gone

into action rapidly; and earnestly implemented the arrangements. Thus, a certain momentum and scope in the price inspection work have been built up. We will conduct concentrated inspection in a shorter period to correct the prominent price violations throughout the province and to ensure the mass inspection work to score periodical results in June this year. The work team of the State Council, which comes to the province to conduct price mass inspection, will spend more than 10 days on carrying out practical inspections.

Li Xiaoshi Convicted for Corruption, Bribe Taking

Former Vice-Minister Gets 20 Years

OW1104104594 Beijing XINHUA in English 1010 GMT 11 Apr 94

[Text] Beijing, April 11 (XINHUA)—Li Xiaoshi, former vice-minister of the State Commission of Science and Technology (SCST), was sentenced today to 20 years in prison with his political rights deprived for four years for taking bribes and for embezzlement.

This verdict was given in the final ruling by the Beijing Higher People's Court.

Li, 53, successively held posts of division chief, bureau director, deputy director of the Hubei Provincial Commission of Science and Technology, president and editor-in-chief of THE SCIENCE AND TECHNOLOGY DAILY and vice-minister.

When the Beijing-based Changcheng (Great Wall) Machinery and Electronics Scientific and Technological Industry Company began its illegal fund raising activities last year, Li made an immediate positive written comment and instructed his staffers to support the activities.

Li immediately went to the Changcheng Company himself, and left with a note of encouragement.

Li's words were later made use of by Shen Taifu, then president of the Changcheng Company, for his illegal fund raising.

Li kept advertising for Shen Taifu in similar ways on many public occasions. Shen was also eager to reward him for his "service."

On March 4, 1993, a SCIENCE AND TECHNOLOGY DAILY reporter signed a 40,000 yuan contract on technology development with the Changcheng Company in the name of Li Xiaoshi's son and gave the money to Li Xiaoshi.

Li kept the money and took the contract to his office, locking it in an iron safe.

After Shen Taifu was arrested, Li realized the predicament he was in and asked the reporter to take away the contract.

When he was inquired about this matter by the Central Discipline Inspection Commission of the Communist Party, Li denied involvement.

Li reached an agreement with his wife that she shoulder all the responsibilities in further inquiries.

More clues implicating Li in other criminal practices were also discovered during the investigation.

Li became acquainted with a Hong Kong couple in Guangdong three years ago and offered business opportunities to them. Li received 5,000 Hong Kong dollars and 1,000 U.S. dollars in bribes for his offer.

In 1991, Li used his position to help a Beijing Refrigeration Equipment Company. The next year, Li asked the company to install an air conditioner worth 3,500 yuan for him without paying a cent.

In 1990, a unit published a full page advertisement in the newspaper at 20,000 yuan when Li was its president and editor-in-chief. The money was pocketed by Li.

The Beijing Intermediate People's Court issued its first ruling on March 4 this year after a long and careful trial. The court ruled that Li was found guilty and should be sentenced to 15 years of imprisonment with his political rights deprived for three years and part of his personal property confiscated for taking bribes; and seven years in prison with his political rights deprived for one year for embezzlement.

Li lodged an appeal afterwards to the Beijing Higher People's Court, which rejected his appeal and upheld the original sentence.

Further on Dismissal

OW1104092594 Beijing XINHUA Domestic Service in Chinese 0801 GMT 11 Apr 94

[By RENMIN RIBAO reporter Chen Weiwei (7115 4850 0251) and XINHUA reporter Zheng Qingdong (6774 1987 2639)]

[Text] Beijing, 11 Apr (XINHUA)—Li Xiaoshi, vice minister in charge of the State Science and Technology Commission, took advantage of his position and power to receive bribes worth a total of 52,690 yuan and embezzled 20,000 yuan of public money, constituting the crimes of embezzlement and accepting bribes, respectively. To enforce party and government discipline, the Central Commission for Discipline Inspection of the CPC Central Commission and the Ministry of Supervision recently rendered decisions, respectively, with the approval of the party Central Committee and the State Council, to dismiss Li Xiaoshi from his party membership and his post as vice minister of the State Science and Technology Commission.

Former Company Head Executed for Corruption, Bribery

OW1104105094 Beijing XINHUA in English 1012 GMT 11 Apr 94

[Text] Beijing, April 11 (XINHUA)—Shen Taifu, president of the former Beijing-based Changcheng (Great Wall) Machinery and Electronics Scientific and Technological Industry Company, was executed this morning on charges of corruption and bribery worth more than three million yuan.

The death sentence was passed by the Intermediate People's Court of Beijing, upheld by the city's higher court at the final hearing of the case, and confirmed by the Supreme People's Court.

Shen, 39, was also deprived of his political rights for life.

Li Xiaoshi, a former vice-minister of the State Scientific and Technological Commission, who was implicated in the case, was jailed for 20 years, with his political rights revoked for four years.

According to an announcement by the supreme court, Shen's accomplice and wife Sun Jihong, 40, was sentenced to 15 years' imprisonment. She was vice-president and head of the accounting department of Changcheng, which was ordered closed in the second half of last year.

On March 2, 1993, Shen Taifu and Sun Jihong withdrew one million yuan in cash from the company's fund-raising department, then deposited it into Sun's personal bank account.

On February 21 and 22, 1993, Shen filled in two receipts for one million yuan each, allegedly to pay for patent commissions.

With one of the receipts he drew one million yuan in cash from the Shenzhen Taifu Company, and then asked You Chengshun, the head of this subsidiary company of Changcheng's, to use the other receipt to reimburse the same amount of cash.

In March of the same year, Shen managed to persuade others to pass a decision before the Changcheng board of directors exclusively for his own benefit—for every transaction he concluded, he would be entitled to a 10 percent patent commission.

To cover up the trick, Shen had the decision affixed with the date "January 4, 1993"—about two months before its adoption.

To facilitate the illegal fund-raising by Changcheng and its subsidiaries from 1989 to March 1993, Shen gave out bribes amounting to 255,791.9 yuan, in cash or in kind, to Li Xiaoshi as well as to 11 other state functionaries.

The eleven have all been prosecuted for receiving bribes or for negligence of duty. Some of these people—a government official at the deputy bureau director level,

four reporters, three bank clerks and three retired accountants—will be dealt with in cases connected with Shen's illegal fund raising.

On March 4, 1994, the Intermediate Court of Beijing sentenced Shen Taifu to death and all his personal property was confiscated. Sun Jihong was sentenced to 15 years in jail and deprived of her political rights for three years.

At the final or second hearing later, the Higher Court of Beijing upheld the intermediate court's sentences and rejected their appeals.

On April 8, 1994, the supreme court confirmed the validity of Shen's death sentence. Acting on an order issued by the president of the supreme court, the Intermediate Court of Beijing carried out the death sentence today.

Li Xiaoshi, 53, was found guilty of receiving 52,690 yuan in bribes and pocketing 20,000 yuan in public money while serving as vice-minister of the commission.

On March 4, 1994, the Intermediate Court of Beijing sentenced him to 20 years' imprisonment with his political rights revoked for four years and part of his personal property confiscated.

Li also pleaded not guilty. However, the Beijing higher court rejected his appeal and upheld the sentence.

At a press conference this afternoon, Liu Jiachen, vice-president of the Supreme People's Court, accused Shen Taifu of pocketing three million yuan in funds he had raised, allegedly to develop machinery and electronics technology.

The vice-president advised state functionaries, especially those with power, to learn proper lessons from the cases of Shen Taifu and Li Xiaoshi.

Beijing 'Tightening Control Over Dissidents'
HK1104053694 Hong Kong LIEN HO PAO in Chinese
8 Apr 94 p 10

[“Report from Shanghai” by special correspondent Li Hsi-ping (2621 6007 1627): “Those Imprisoned in Relation to the 4 June Incident Are Warned Not To Get Together or Get In touch With Reporters From Outside the Mainland”]

[Text] As there is only a bit more than one month before the fifth anniversary of the 4 June Incident, the mainland authorities have been tightening control over dissidents. Those who were jailed for being involved in the 1989 pro-democracy movement yesterday received oral warnings from the department concerned, and some more famous dissidents were under closer supervision around their houses.

Sources in Beijing said that, because the CPC top leadership once again issued an instruction to the department concerned on strictly exercising control over pro-democracy activists in order to “stabilize” the social environment, beginning yesterday, the public security and state security organs on the mainland took action to control the activities of those who participated in the pro-democracy movement in 1989. The measures included that of not allowing them to get in touch with reporters from outside the mainland and not allowing them to get together in any form. Some dissidents who always kept a low profile, such as Bao Zunxin and Zhou Duo, were also put under close supervision. Bao Zunxin said that this was “quite baffling.”

The sources also said that today's action would last until late June, and strict supervision over pro-democracy activists would also be conducted in other cities in order to prevent some people from trying to hold activities of commemorating the fifth anniversary of the 4 June Incident.

Reportedly, the authorities demanded that the local authorities concerned guarantee that no mistake would occur in the next two months, and that they would immediately report to Beijing if any trouble occurred.

Wei Jingsheng Reportedly Treated ‘Inhumanely’
HK1104041094 Hong Kong MING PAO in Chinese
8 Apr 94 p B10

[Excerpt] Yesterday, as noted dissident Wei Jingsheng was reportedly treated inhumanely during a period of “surveillance and investigation,” the United States expressed—for the third time—its concern over his arrest, but China strongly warned that the United States should not involve itself in the incident.

Wei Ling, the younger sister of Wei Jingsheng, said during an interview with a foreign press agency yesterday that the authorities had on many occasions hinted to Wei Jingsheng's family that there might be some problems with Wei's health, and this made people worry that Wei Jingsheng had been inhumanely treated while being “kept under surveillance at a certain place.”

She said: “They told my father it was necessary for them to give my elder brother a health check-up. However, he was in good health before he was arrested.”

Wei Ling worried that the doctors in the prison might do harm to her elder brother.

However, when she was answering MING PAO reporter's questions, Wei Ling said she knew nothing about her elder brother. She only said that she thought it was possible that Wei Jingsheng's secretary, Tong Yi, might be sentenced to imprisonment, and it was even more possible that Wei Jingsheng would be sentenced to imprisonment, because this had already been implied in some statements made by public security departments. [passage omitted]

Xi Yang's 12-Year Term for 'Spying'

HK0904061394 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1348 GMT 8 Apr 94

[Text] This reporter has made inquiries with the relevant authorities in Beijing and learned that MING PAO reporter Xi Yang was simply not engaged in normal reporting, nor did he "mistakenly enter the forbidden zone." What he was involved in was criminal activity of spying and stealing state secrets. The Beijing Intermediate People's Court has handed down the second-instance judgment according to law and given Xi Yang a sentence of 12 years, with deprivation of political rights for two years. Because Xi Yang had admitted his guilt and showed repentance, the court handed down a light sentence according to the law when considering the penalty.

The relevant authorities noted: During the period June and July 1993, Xi Yang repeatedly spied and stole state financial and economic secrets through bank clerk Tian Ye, the other defendant in the case, and passed all this secret material and information to MING PAO in Hong Kong for publication, causing serious economic losses to the state. The court was convinced that Xi Yang had committed the crime of spying and stealing state secrets, and his case was extremely serious.

According to the "Supplementary Stipulations Concerning Punishment of the Crime of Disclosing State Secrets" as well as Clause 1, Article 51 of the "Criminal Law of the PRC," criminals like Xi Yang who steal state secrets can be given a jail term of 10 years or more, life imprisonment, or even the death penalty, with deprivation of political rights. In consideration of the fact that Xi Yang had already admitted his guilt and showed repentance, the court gave him a light sentence of 12 years with deprivation of political rights for two years. According to relevant stipulations, if he refuses to accept the court's judgment, a defendant can appeal within 10 days after receiving the court's verdict. It is learned that Xi Yang has appealed. According to the "Law on Criminal Cases," cases involving state secrets will not be open to the public. Since the Xi Yang case involves state secrets, there will not be a public trial.

The relevant authorities in Beijing rejected suggestions that Xi Yang "mistakenly entered the forbidden zone," for Xi Yang was simply not engaged in normal news-gathering. The fact that Xi Yang is the only one to get into trouble among thousands of Hong Kong reporters who have been to Mainland China on reporting assignments since last year demonstrates that the line between normal reporting and criminal activities of spying and stealing state secrets is clearly drawn. Hong Kong reporters' normal reporting activities are fully protected.

XINHUA Details Xi Yang's Case

HK1104135094 Beijing XINHUA Hong Kong Service in Chinese 1046 GMT 11 Apr 94

[Text] Beijing 11 Apr (XINHUA)—Not long ago, this reporter visited the responsible personnel at the Beijing Municipal State Security Bureau, the Municipal People's Procuratorate branch, and the Municipal Intermediate People's Court to inquire about Xi Yang's case, the trial process, and related conditions. These individuals indicated that Xi Yang spied on and stole state banking and economic secrets. This was proved by solid evidence and confessed to by Xi Yang himself. Xi Yang's crime was very serious. However, in view of the fact that he confessed his crime and repented, in the first trial on 28 March, the Beijing Municipal Intermediate People's Court ruled on the case and meted out a light sentence, sentencing Xi Yang to 12 years in prison and depriving him of political rights for two years. Xi Yang did not accept the judgment and has filed an appeal. The Beijing Municipal Intermediate People's Court has already transferred the case to Beijing Municipal Higher People's Court for the second trial, which is currently underway.

According to the briefings, the 38-year-old Xi Yang, a native of Jiangsu's Taicang County, was transferred from an Army unit to a civilian post in May 1983. Between April 1984 and June 1992, he was a reporter with the XINTIYU [NEW SPORTS] journal under the jurisdiction of the State Physical Culture and Sports Commission. Later he was deputy director of the editorial department of JIANKANG ZHIYOU [FRIEND OF HEALTH] under the aforesaid journal. In June 1992, Xi Yang left for Hong Kong because he had inherited property from his grandfather there. In August of the same year, he was employed as a reporter for the China page of Hong Kong's MING PAO daily. According to Xi Yang's confession, in view of the fact that he had worked and lived in Beijing for many years, MING PAO specifically designated him to constantly conduct activities in Beijing. In June and July of 1993, Xi Yang was active in Beijing under the pretext of covering the Sino-British talks and the founding of the Preliminary Work Committee for the Preparatory Committee for the Hong Kong Special Administrative Region. In actual fact, he was not a bit interested in covering the topic that was registered on his application; rather, he focused his energy on establishing ties, doing his utmost to pry into major state banking and financial secrets based on the requirements of a responsible person from MING PAO, and according a "plan" formulated beforehand. He did not submit applications for news coverage to the related departments according to the regulations, but resorted to illegitimate means and incited his friend Tian Ye, an employee of the People's Bank of China, to steal and provide him with voluminous state banking and financial secrets, which included an unpublished People's Bank of China deposit and loan interest modification plan, the bank's secret policy decision on participating in the international gold trade, and other important secrets.

Instigated by Xi Yang, Tian Ye stole an important document marked "secret," which he delivered to Xi Yang so he could make a photocopy. Based on the requirements of MING PAO, Xi Yang wrote an article based on the stolen state banking and financial secrets and delivered it to MING PAO for publication. As a result, the compromise of these secrets has had serious consequences for the national economy.

Reports have indicated that Xi Yang and Tian Ye acted surreptitiously when carrying out the above-mentioned activities. To avoid attention, they did not meet at the Jianguo Hotel, where Xi Yang was staying, but often met on a street corner; they did not shake hands when they met, nor did they bid one another farewell when they parted. On 31 July, Tian Ye arranged a meeting with Xi Yang through a pager, and at approximately 1700 that afternoon, they met in the street east of Beijing's Changan Mall, where Tian Ye nervously told Xi Yang that the People's Bank of China was investigating the incident of MING PAO's publication of state banking and economic secrets. Xi Yang said to Tian Ye: "We are the only ones who know about each other; there should not be any trouble." "I will not betray my friend." "When you have things in the future, do not use the phone, use the pager to contact me as much as possible." Xi Yang also suggested that, when Tian Ye goes to work on Monday, 2 August, Xi Yang would call Tian Ye through the pager, and if Tian Ye is okay, he should call back through the beeping pager, to say he is safe. Xi Yang also said some words to comfort Tian Ye. Thereafter, Xi Yang used the pager and the telephone many times to ask whether Tian Ye "had any trouble." A relevant person from the Beijing Municipal State Security Bureau said: Facts have indicated that Xi Yang and Tian Ye themselves knew that what they were doing was using illegal means to steal and spy on state banking and economic secrets, that their behavior had violated the state criminal code. Furthermore, Xi Yang also admitted "knowingly breaking the law" in his repentant letter, in which he pleaded guilty. Therefore it was never a case of "mistakenly trespassing into a restricted zone" as alleged by Hong Kong's MING PAO and others. After the incident took place, MING PAO repeatedly asked Xi Yang to return to Hong Kong as soon as possible, and this indicated that MING PAO also knew about the nature of the incident. This case is purely a criminal case and is not related to normal news gathering activities by reporters. Since last year, more than 1,000 Hong Kong reporters have gone to the interior to cover news, and no problem of this kind has emerged, except with Xi Yang. We can see that the boundary between normal interviews conducted by reporters and illegal stealing and spying on state secrets is very clear and understandable to Hong Kong reporters.

According to reports, the Beijing Municipal State Security Bureau deemed that Xi Yang was suspected of jeopardizing state security and violating the "PRC State Security Law." Therefore, it summoned him in accordance with the law on 27 September 1993 and detained

him in accordance with the law on 28 September 1993. On 7 October of the same year, with approval from Beijing Municipal People's Sub-Procuratorate, the security bureau placed him under arrest. Article 4 of the "State Security Law" stipulates that "any organization or individual who carry out behavior which jeopardizes the state security of the PRC must be prosecuted by the law," and "stealing, spying on, purchasing, and illegally providing secrets" are behaviors which jeopardize state security. Tian Ye was also detained and arrested in accordance with the law. After investigating in the case, the Beijing Municipal State Security Bureau handed it over to Beijing Municipal People's Sub-Procuratorate on 23 September 1993. After investigating in the case, the Beijing Municipal People's Sub-Procuratorate instituted proceedings at the Beijing Municipal Intermediate People's Court on 14 December 1993. The Beijing Municipal Intermediate People's Court sent copies of the prosecution letters to Xi Yang and Tian Ye, and told them that, as the accused, they have the right to defend themselves, and may hire defense attorneys for this purpose. Xi Yang and Tian Ye both said they did not want to hire anyone but would defend themselves in court. According to Article 111 of the PRC Criminal Procedure Law, "the people's courts shall conduct the adjudication of cases in the first instance in public. However, cases involving state secrets or the private affairs of individuals are not to be heard in public." The cases of Xi Yang and Tian Ye involved state secrets, therefore, in accordance with the law, the court did not try them in public.

During the trial process, Xi Yang pleaded guilty and repented for his crime. In the Statement of Confession and Repentance, he himself wrote: "The fact that I violated the law has caused undue losses to the state's economy and has brought undue interference to the state's current policy of macroeconomic regulation and control. As a Chinese citizen who lived on the mainland for many years, I committed the above illegal offense which has caused such a loss to State interests, and the nature of this problem is serious."

After trying the case, the court maintained on the basis of verifying the facts that Xi Yang, in disregard of state laws and regulations on news coverage, pried into and stole state banking and financial secrets and published them in Hong Kong's MING PAO, thus violating the national criminal code. According to the Supplementary Provisions on Punishment for Those Committing the Crime of Releasing State Secrets, "one who steals, pries into, buys, or illegally supplies state secrets to a foreign establishment, organization, or person is to be given, where the case is serious, a prison term of 10 years or more, life imprisonment, or the death penalty and will be deprived of his political rights." A person in charge of the Beijing Municipal Intermediate People's Court pointed out: Xi Yang's crime was particularly serious. Considering the comparatively good attitude of Xi Yang, who pleaded guilty and repented for his crime, the court leniently sentenced him at the first trial to a term of 12

years in prison and deprived him of his political rights for two years in accordance with the law. Tian Ye also had a comparatively good attitude and was leniently sentenced to a term of 15 years in prison and has been deprived of his political rights for three years. The penalty meted out to them is appropriate. On 28 March 1994, the Beijing Municipal Intermediate People's Court announced in public their first-trial sentences and immediately sent the notices of judgment to Xi Yang and Tian Ye. According to the PRC Criminal Procedure Law, they could lodge an appeal within 10 days after the second day of receiving the notice of judgment. Tian Ye did not do so, while Xi Yang, who did not accept the first-trial sentence, did lodge an appeal. The Xi Yang case has now been passed to the Beijing Municipal Higher People's Court for a second trial.

The person in charge of the Beijing Municipal Intermediate People's Court stressed: The principle we follow is that we base our cases on facts and use the law as the criteria. Xi Yang's crime is supported by irrefutable facts. Moreover, he pleaded guilty himself. This is something that no one can reverse. Reporters' normal news coverage is completely different from prying into and stealing state secrets. The law forbids obstinately equating the criminal act of prying into and stealing state secrets as normal news coverage. Trying to confuse the public by saying that black is white will not work in China or any other country.

'Special Article' Views Xi Yang Case

HK1204001094 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1430 GMT 8 Apr 94

[("Special article" by Yu Wen-ching (0205 2429 3237)])

[Text] Hong Kong 8 Apr (ZHONGGUO TONGXUN SHE)—Hong Kong MING PAO reporter Xi Yang, who was found guilty of stealing state secrets, was sentenced to 12 years in prison in the first trial at the Beijing Municipal Intermediate People's Court not long ago. When the news spread, it was understandable that Hong Kong residents showed great concern over the case. However, some people have taken action before they have acquired a clear picture of the case, and a small handful of people who want to stir up trouble have taken advantage of the incident to attack the Chinese Government, repeating the slogan that "Xi Yang is innocent" and demanding that the authorities "release Xi Yang." Consequently, this has posed a serious question: Is Xi Yang guilty or not guilty?

The Irrefutable Facts of Xi Yang's Crime

Xi Yang was detained by the PRC State Security Authorities in accordance with the law on 27 September 1993 and was officially apprehended on 7 October 1993, with the Beijing Municipal People's Procuratorate's approval. On 28 March this year, he was found guilty of "stealing and prying into secret information of the state" in the first trial at the Beijing Municipal Intermediate People's

Court and was sentenced to 12 years in prison and was deprived of political rights for two years.

What crimes have Xi Yang committed? In actual fact, in the wake of Xi Yang's apprehension, the relevant PRC departments somewhat published the facts of his crimes. On the very day that Xi Yang was detained, XINHUA sent a dispatch, saying that Xi Yang "was detained for stealing and spying on state financial secrets in violation of the PRC State Security Law." On the very day that Xi Yang was officially apprehended, XINHUA gave a truthful report on the criminal facts regarding Xi Yang. The report indicated: "Xi Yang engaged in stealing and gathering our state banking secrets, with conclusive evidence of his activities. The banking secrets stolen by Xi Yang included an unpublished People's Bank of China deposit and loan interest modification plan, its secret policy decision on participating in the international gold trade, and other important secrets. The compromise of these secrets has had serious consequences. The state security organs have obtained conclusive evidence of activity which jeopardizes state security."

Everyone knows that XINHUA is China's national news agency, and the information it dispatches is authoritative. Under the prerequisite that no state secrets are to be revealed, the news agency had already revealed the content and consequences of Xi Yang's case specifically enough. In addition, according to the XINHUA report, "Xi Yang has confessed to behavior endangering state security"; at the same time, Xi Yang's employer, MING PAO enterprise president Mr. Yu Ping-hai acknowledged in Beijing that Xi Yang "violated PRC Law" in his news gathering activities, and openly "apologized to the relevant authorities."

The above clearly showed that Xi Yang has truly violated China's penal code, and he has been found guilty. It is very important to clarify whether Xi Yang is guilty or not guilty, which is a prerequisite. As long as we have a clear picture of the facts of Xi Yang's crime and see that his criminal behavior has already resulted in serious economic losses to the state, people will not disregard the solemnity of the law based on their sympathy for Xi Yang.

Who Was Actually Being "Lawless"?

An extremely small handful of people, who have always been hostile to the Chinese Government, intentionally threw mud at China and misled the public. They attacked the Chinese Government for being "lawless" in handling Xi Yang's case. However, the facts are simply the contrary.

The truth is that Xi Yang violated the PRC criminal code. This being the case, it is natural for the relevant Chinese law-enforcement department to conduct the investigation, apprehension, and sentencing based on facts in accordance with the law. This is precisely an expression of doing business according to the law. The trial of Xi Yang's case was not held publicly in order to

ensure that state secrets would not be revealed in an open trial in accordance with Article 111 of the "PRC Criminal Procedure Law," which explicitly states: "Cases involving state secrets or the private affairs of individuals are not to be heard in public." In the wake of passing sentence in the first trial, it was reported that Xi Yang has filed an appeal, and his employer was also looking for a lawyer to defend his case. All this is sufficient to show that his case has been handled strictly in accordance with legal procedures. The party, the government departments, and individuals are forbidden from intervening in the trial of the case, and they have not intervened. Why then should China be charged with "being lawless?"

In fact, the speeches and actions of the extremely small handful of people who have maliciously attacked the Chinese Government by taking advantage of Xi Yang's case are out and out "lawless." This little handful of people are insisting that someone like Xi Yang—who has already admitted being guilty of violating the Chinese penal code—is "innocent," and are demanding his "release." If things are handled according to this model, all people who steal state secrets will be found not guilty and none of them will be apprehended. Would not that be truly "lawless?" The PRC Criminal Procedure Law explicitly stipulates that trials of cases involving state secrets will not be held in public; furthermore, Xi Yang's case is undergoing a further hearing and is not yet closed. However, this small handful of people are demanding an "open trial" and the "publication of the trial's results." Who are actually being "lawless?"

Xi Yang's Case Has Nothing To Do With "Freedom of the Press"

Recently, some people have linked Xi Yang's case with "freedom of the press," saying that the Chinese side has dealt a blow at freedom of the press in Hong Kong by taking advantage of Xi Yang's case. Some commentaries have even linked this incident with conditions after 1997, saying that Xi Yang's case shows that Hong Kong will lose its freedom of the press after 1997. If that was not stated out of ulterior motives, it was at least a muddle-headed understanding.

We must bear in mind that Xi Yang was not ignorant of Chinese law and political operations—he had gone to Hong Kong from the hinterland only two or three years before. His "coverage" in question was not "mistakenly trespassing in a restricted zone," but knowingly committing a crime to spy on state secrets. That being the case, Xi Yang's actions had gone far beyond the realm of ordinary news coverage. To apprehend a criminal who has stolen important state secrets according to the law and "suppressing press freedoms" are two entirely different kettles of fish; how could the two issues be placed on the same level?

Chinese law protects all reporters in their normal news gathering activities; of course, activities that are not in line with the reporter's status are not included. Since

reform and opening up, the Chinese Government has provided conveniences for reporters from Hong Kong and Macao in their coverage of the hinterland, ever simplifying procedures. Since 1993, the number of Hong Kong reporters leaving for the hinterland for news coverage has totaled more than a thousand; they have come and gone freely, and have experienced smooth sailing in their news gathering. Of course, when reporters cover the Chinese hinterland (as in any country in the world) Chinese law must be observed; this applies to reporters as well as businessmen and travelers. If other people are sanctioned for violating the law in the hinterland, why should reporters alone be exempt? The fact is, so many reporters from Hong Kong went to the hinterland to cover news last year, and only Xi Yang was prosecuted. This fact alone has vividly demonstrated that the Chinese Government protects reporters' normal news gathering activities.

The author believes that some people intentionally or unintentionally regard reporter's activities as being free from all legal restrictions as one of the contents or major contents of the freedom of the press. This is actually opium to reporters and misguides Hong Kong residents. Such an understanding will harm reporters and will inevitably hurt the press itself. Therefore, such an erroneous understanding must be clarified.

In the final analysis, regarding Xi Yang's case, as long as we clarify whether he is guilty or not guilty, it will be easy to understand the other issues. A responsible person from the PRC State Security department put it well: "Xi Yang's behavior has violated the PRC criminal code and has nothing to do with the normal news gathering activities of a reporter; his is purely a criminal case."

MING PAO Reacts to XINHUA Report on Xi Yang

*HK1204113294 Hong Kong MING PAO in Chinese
12 Apr 94 p a2*

[Report: "MING PAO's Response to XINHUA Article Entitled 'Xi Yang Sentenced to 12 Years Imprisonment at First Trial'"]

[Text] First, the XINHUA article once again showed that Xi Yang was actually engaged in normal news gathering as understood by the Hong Kong journalistic circles.

In June and July last year, a number of important meetings concerning Hong Kong were held in Beijing and MING PAO sent two reporters, one of whom was Xi Yang, to cover the news in Beijing. During this period, Xi Yang also covered economic news concerning China's macroeconomic control, which was of keen interest to people in various circles at that time. All arrangements made between MING PAO and Xi Yang were within the scope of news gathering and there was no such thing as doing something without relation to news gathering in the name of covering news in Beijing. The XINHUA article once again proved that Xi Yang delivered all the

materials he gathered from news gathering to MING PAO for open publishing and did not use the information for any other purpose.

Second, PRC Criminal Procedure Law, Chapter 2, First Section, Article 121 stipulates: "All sentences are announced openly without exception." According to the annotation on this article in the book "Collection of Annotations on the PRC Laws" compiled by the National People's Congress Law Committee: "The People's Courts will openly announce their decisions on all cases no matter whether the cases are tried openly or secretly." The "Collection of Annotations" particularly mentions that the decisions on cases related to state secrets and tried secretly should also be announced openly. Relevant law experts in Beijing pointed out that an open announcement of court decisions should at least include the following two points:

1. Delivery of the court verdicts to the accused and the public prosecutors concerned.
2. Posting of the written court verdicts on the notice boards of the courts with the signatures of the courts' responsible officials and the seals of the courts.

According to the XINHUA article, the Chinese authorities only satisfied the first point. It is perplexing as to why the court has not yet made public the verdict and the details of the case were only partly revealed by XINHUA. According to the instructions of the court in Beijing, Xi Yang's lawyers were not allowed to reveal any details of the case to the public. Therefore, before the court verdict was officially made public, it was unfair to the appellant that the Chinese authorities gave a unilateral account of the case through the news agency.

Third, the XINHUA article said that Xi Yang's case was very serious and Xi Yang might be sentenced to a prison term of over 10 years. However, the article did not quote the official concern and did not mention what evidence showed that the case could be considered as very serious. On the contrary, according to Dr Lo Cheung-kwok, a member of the Chinese People's Political Consultative Conference, who pointed out in his capacity as a finance expert that, under the current financial operation system, the information about China's gold trading and interest rate adjustment as reported by Xi Yang absolutely could not cause any serious economic losses to the state.

Editorial: Xi Yang Case 'Internal Affair'
HK1104093094 Hong Kong TA KUNG PAO in Chinese
8 Apr 94 p 2

[Editorial: "Watch Out for British Intervention in 'Xi Yang' Case"]

[Text] Reportedly, [Governor] Patten reviewed Hong Kong's latest developments with British diplomatic officials on 6 April, which included the sentencing of MING PAO reporter Xi Yang. After the meeting, Patten's

spokesman said that a statement will be made by Chief Secretary Chan Fang On-sang on the case.

Mrs. Chan Fang On-sang did make a statement, saying that the British and Hong Kong governments are naturally concerned about Xi Yang's fate.

Obviously, Mrs. Chan was backed by Patten, who was supported by the British Government. Mrs. Chan merely repeated what Patten and the British Government wanted her to say.

Because of his involvement in criminal activities incompatible with his capacity as a reporter, MING PAO reporter Xi Yang violated the State Security Law by spying and stealing important state financial secrets. The Beijing judicial organs arrested, tried, and sentenced him in accordance with the law. This is China's internal affair and brooks no foreign interference.

Some people in Hong Kong do not understand China's laws and judicial procedures and are not clear about Xi Yang's criminal offense. It is understandable that they have requested more information about the case. However, a handful of figures like Martin Lee and Sze Tu-wah have acted diametrically. On the one hand, they say that they know nothing about the Xi Yang case and "not even the kind of crime of which he is charged." On the other hand, they attacked the Chinese judiciary for being "unfair" and "hostile to the freedom of press," "brutally trampling upon human rights," and "intentionally dealing Hong Kong press circles a head-on blow at the first encounter."

Regarding Xi Yang's criminal offenses, officials responsible for the relevant Chinese departments have answered questions raised by the press circles on various occasions, clearly pointing out that he stole state secrets, including the unreleased plans of the People's Bank of China concerning savings interest rate changes, the decisions by the People's Bank of China on participating in international gold bullion transactions, and other major financial secrets. A few days ago, Zhu Yucheng, deputy director of the XINHUA Hong Kong branch, and Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, gave an account of the nature of the case and the grounds for the sentence. Zhu Yucheng said: It is true that Xi Yang has been convicted of stealing major state financial secrets. As he has violated the "PRC Security Law," he must be handled in light of the "PRC Criminal Procedural Law." The purpose of not trying the Xi Yang case openly is to prevent leakage of state secrets during the trial. This conforms to article 111 of the "PRC Criminal Procedural Law": "Cases involving state secrets or privacy shall not be tried openly."

These remarks are based on responsibility and not made willfully by any individual. We believe that the Chinese judicial departments will be very prudent in the arrest, trial, and sentencing of a Hong Kong reporter who has violated the criminal law. Based on evidence and the law, the case will be handled realistically.

Wu Jianmin, spokesman for the Chinese Foreign Ministry, said yesterday: "Each country has its own commercial and economic secrets. If these secrets are stolen, the person involved, of course, must be punished." Has the Hong Kong British authorities not introduced the "Government Security Law" from Britain? In Britain, you cannot make everything public and secrets are not to be leaked. For the sake of Hong Kong's overall interests, former legislative councilor Sit Hao-yan made public some material concerning the airport and he was investigated by security officials for leaking secrets. For the sake of maintaining the secrets of the Independent Commission Against Crime [ICAC], the Hong Kong people are still kept in the dark about the case of Tsui Ka-kit, who was sacked by the ICAC. Naturally, China has its own secrets as well as laws for maintaining secrets. The handling in accordance with the law of a person who has stolen major financial secrets is precisely a manifestation of the legal spirit. We do not know why the Hong Kong British authorities have made indiscreet remarks and shown "concern" over an espionage case. What kind of law is it in the world which allows one to maintain its secrets but does not permit the other to fight against spying?

This reminds us of the Han Dongfang case which took place last year. Han was handled according to law and his passport was revoked for violating China's criminal law. Taking advantage of the case, the British Government wantonly carried out provocations and even "showed great concern" by raising it to a diplomatic level. The Hong Kong British authorities attacked China's handling of the Han Dongfang case as "violating human rights" and "contravening the International Law," saying it "would dampen the confidence of the Hong Kong people for a long time to come." The followers of the Hong Kong Alliance for Promoting Democracy in China added fuel to the flames, lodged protests, held sit-in strikes, and stirred up trouble for some time.

We can draw the following conclusion, after reviewing the past and current situations: The British side's concern over the "Xi Yang case" is not for the individual. They think that the individual can be used to smear mud over China, incite Hong Kong people's discontent against China, dampen the confidence of the Hong Kong people in their future, and meddle in Hong Kong's smooth transition. All people of goodwill should heighten their vigilance.

The British side did not gain any advantage from the Han Dongfang farce which they played in the past. How can they attain their objective with the "Xi Yang case" today?

Shanghai Rejects Legal Status for Human Rights Group

HK1204054794 Hong Kong SOUTHERN CHINA MORNING POST in English 12 Apr 94 p 9

[By Chan Wai-fong]

[Text] A human rights organization's application for legal status has been rejected by Shanghai authorities who fear creating a way for underground democratic movements to go public. Shanghai's Civil Affairs Bureau told leaders of the Chinese Human Rights Association that its application to register had been rejected because it was not a "mass organisation" according to the law. Association leaders were told that the new body had to be affiliated with official organisations such as the All-China Federation of Trade Unions if it wants to become legal.

Association spokesman Yang Zhou, a leading Shanghai dissident, said: "This evidently contradicts the constitution, which guarantees people's rights to organise." Mr Yang was detained during French Prime Minister Edouard Balladur's brief visit to Shanghai last weekend. "Only the Communist Party can say who is lawful and who is not. And no genuinely independent mass organisation is allowed, although there are regulations allowing such associations," Mr Yang said. "You are illegal and may have to face criminal charges if you do not register. But when you try to do so, there is no way that you will succeed," he said.

Officially submitted in March 1993, the association's application for legal status has been pending for more than a year. The group is so far the first non-government mainland organisation with no official link whatsoever to seek legal recognition. "They are handling it very carefully because there is no precedent. And they know that if it is approved, it will be a gateway for underground democratic activities to go public," Mr Yang said. If the association became legal, similar groups could then affiliate with it and register with the Government which is something the authorities would rather avoid, he said.

Civil Affairs Bureau officials have agreed to reconsider the association's application in the future, but Mr Yang said it was unlikely that approval would be granted this year. Unless there were big changes in Beijing, the case would just be left hanging in the air, he said.

But the activist said efforts to legalise the group would not be abandoned. "At the moment, we can only learn bits and pieces about the situation of political prisoners through friends. There is no way that we can visit prisoners, monitor works of the judiciary, procuratorate and public security departments, or make proposals unless we are officially recognised."

Article Views Political Dissidents Arrests

HK1204063094 Hong Kong HONGKONG STANDARD in English 12 Apr 94 p 11

["Eye on China" column, by China Editor Cary Huang: "Rearrests Showcase China's Strength and Weakness"]

[Text] China's rearrest of leading dissidents Wei Jing-sheng and Xu Wenli and its threat to pin new charges on the two best-known dissidents are a sign of strength and

of weakness. With it, the Beijing regime sharply defies American pressure to improve its human rights record. It also graphically demonstrates its lack of confidence about its control in China.

The rearrest of China's most prominent political dissidents appears to set the United States and China on a collision course over human rights. But more obviously, the Communist Party leaders are hoping that the U.S. will pursue its economic interests in maintaining trade with China rather than press its human rights concerns.

The commonly held belief among Chinese officials is that the U.S., fearful of being shut out of the world's biggest emerging market, will find a way to renew China's most-favoured-nation (MFN) trading status. Beijing has every reason to support this assumption as it has gained more and more sympathy inside and outside America towards unconditional renewal of the trade privilege. The Clinton administration has been under increasingly heavy pressure from the most influential business community to promote closer trade ties with China.

Japan, Germany, Italy and France have defied the U.S. stance on human rights with leaders flooding into the middle kingdom to scramble for a bigger slice of the world's most lucrative and last untapped market. Last weekend, the visiting French Prime Minister Edouard Balladur even gave China clear assurances his government would not "interfere" in China's human rights issue. Earlier, other Western leaders including German Chancellor Helmut Kohl and resigned Japanese Prime Minister Morihiro Hosokawa made similar pledges to China in their recent visits.

Meanwhile, Beijing has strengthened its bargaining position in dealing with the Americans. The rift between the U.S. and Japan and other Southeast Asian nations over trade issues has weakened the U.S.'s status in pressing China for more compromises both in trade and politics. China's role in maintaining regional order has been measurably enhanced following the North Korea nuclear crisis, in which Beijing's attitude has been crucial. The communist leadership has obviously became more confident than ever in obtaining unconditional MFN this June.

In many ways, however, Wei's fate and the course of the Sino-American struggle over the profitable trade status now seem inextricably bound. He may end up hostage to the dispute. The high risk Beijing is taking by threatening to jail Wei again and rearresting a few other dissidents gives a strong indication how much it fears just one man or a few. But the larger background to this singular fear is the high level of public discontent in China in recent months over its runaway economy, price hikes, rampant corruption and other economic imbalances—much the same sort of mass discontent that set the stage for the nationwide pro-democracy protests five years ago.

For the Chinese government, a free and outspoken Wei and a handful of other dissidents pose a major threat.

More than anyone else, Wei has become the focal point for many pro-democracy activists. The Chinese government is especially worried about the potential for turmoil this spring, the fifth anniversary of the 1989 democracy movement. Given widespread discontent among masses, maintaining social stability has become a catchword of Chinese politics these days and has been given top priority in recent speeches by senior leaders. China's season of silence is in full swing. Every spring, Beijing's security apparatus, its relatively few dissidents and its foreign press corps gear up for the anniversary of the 4 June event. The fragility of the Communist Party's grip on power is shown by the silence it tries to enforce on many matters. This year, the crackdown on dissidents and foreign reporters has come earlier than usual and tensions are greater than any time since 1989.

It thus may seem unfathomable that China would make the mistake of handing a few dissidents out of 1.2 billion people so much power by repeatedly harassing them under the spotlight of the international news media. The explanation to this is largely due to an increasingly fragile constitution for 89-year-old senior leader Deng Xiaoping.

Party leaders appear to agree with their critics that conditions now are ripe for a huge social explosion. The contradiction here is that while China is doing better than ever, at the same time it appears set for another huge spasm.

Commentator's Article Praises 'Spiritually Rich'

*HK1204092194 Beijing RENMIN RIBAO in Chinese
11 Apr 94 p 1*

[Commentator's Article: "Praising Those Who Are Spiritually Rich"—Spirit of Wholeheartedly Serving the People"]

[Text] Sun Maofang [1327 5399 5364], political assistant of the Sixth Department of Internal Medicine, Beijing Military Region General Hospital, the Chinese People's Liberation Army [PLA] has drawn nutrition from the Lei Feng spirit on the one hand and dedicated himself to the people on the other ever since he put on his military uniform in 1964. Over the past 30 years, he has been "warm like spring toward his comrades"; while doing a good job of work at his post, he did voluminous good things for the masses and was honored as "a person who is spiritually rich."

Love is the foundation of dedication. The reason why Lei Feng "put his limited life into unlimited service to the people" was that he likened the party to his "mother" and socialism to "the root of life," while cherishing the party, the people, and socialism with utter devotion. Likewise, Sun Maofang has unremittingly done good things for the masses, because he has the lofty idea of "dedicating his love to the motherland and the people." For scores of years, Sun Maofang's heart has been filled with devotion to the party and the people, while regarding the development of the cause of the party and

the people and the happiness of other people's lives as his own greatest wish. For the cause of the party and people, Sun Maofang does not care about his personal fame and position and is willing to serve as a "human bridge." He said: "'Human bridges' were set up in wartime to wipe out the enemy; in peacetime construction, 'human bridges' are set up to lead to the four modernizations." To enable five elderly widowers, who had no children, to live happily in their old age, Sun Maofang waited on them as if he had been their own son. The elderly praised him and likened him to their "good son." Some people believed that it did not pay for Sun Maofang to have taken all that trouble. However, Sun Maofang said: "It is no easy job to be a fine son of the people! If the people recognize me as their good son, that would be the greatest prize for me!" "Head bowed, like a willing ox, I serve the children." This spirit of Sun Maofang is commendable and admirable.

Beyond a doubt, a person who dedicates his love to the motherland and the people is spiritually rich. In our society, people who are spiritually rich like Sun Maofang are numerous. Xu Honggang, Bao Qifan, and Jin Zheng-hong [6855 2973 3163], who have been covered by this paper recently, are all spiritually rich and have lofty ideals and pursuits. There are a far greater number of people who are working diligently at their posts in obscurity, dedicating themselves to the people. However, we may put it bluntly that under the pounding tide of the commodity economy, there really are many people who have neglected spiritual pursuits. In their eyes, the Lei Feng spirit with selfless devotion as its core is outmoded; other people's sorrows, the rise or decline of the nation, and the future of the motherland all have nothing to do with them. Only money, only the individual's private gain is the sole target of their pursuit. These people might be materially rich, but they are definitely spiritually impoverished.

"A man must have some spirit." Such a spirit is precisely the dedication to society and mankind and the spirit of serving the people heart and soul. This spirit was called for in the times of revolutionary war as well as in times of socialist construction. Today, the times have changed as well as the situation and our tasks. However, "the essence retains its identity while appearances may wary"; our party's purport has not changed. The spirit of selfless devotion and serving the people heart and soul will always be an important source of strength for the prosperity of our country and nation. Just as Comrade Deng Xiaoping indicated, in the course of the conversion to the socialist market economic structure, we must grasp building of the two civilizations simultaneously, we must do a good job in building socialist material civilization to make people materially rich, but do a good job of building socialist spiritual civilization so that people will become spiritually rich too.

'Leading Beijing Scholar' Views Political Reform
HK1204072294 Hong Kong EASTERN EXPRESS in English 12 Apr 94 p 9

[By Bruce Gilley]

[Text] There will be no significant changes in China's political system in the next one or two years, according to a leading Beijing scholar.

"This year is a key period for economic reforms. Accelerating political reforms all depends on the success of that," said Pan Guohua, the vice-chairman of the Department of International Politics at Beijing University. "Political steps will not appear for one or two years. There are many conditions not ripe for democracy at present," Pan said.

A former party general secretary, Zhao Ziyang, put forward a programme of moderate political reforms in the late 1980s, but the subject has been a near taboo in China since Zhao's dismissal after the Tiananmen massacre in 1989 and the jailing of Bao Tong, who was Zhao's former political secretary and the director of the central committee's political reform think tank. However, in a lively discussion with other mainland scholars in Hong Kong, Pan indicated that consensus is being reached in the capital on the political transition after the supreme leader, Deng Xiaoping, dies, as well as plans for cautious democratisation.

Pan said the experience of 1976—when three key Chinese leaders died—proved that China would not fall into chaos after Deng's death. "I admit we do have some worries that another dictator could emerge. But in general we feel that widespread instability is impossible," he said.

The three most likely to emerge as supreme leader of China after Deng's death are President Jiang Zemin, the executive vice-premier Zhu Rongji and a vice-premier, Li Ruihuan, Pan said. Asked about the fate of the Premier, Li Peng, he replied: "Of course everyone can be included."

As far as democracy is concerned, Pan said, researchers in the capital believed it could be achieved through the gradual devolution of power to the National People's Congress (NPC) and to non-communist parties. Both have been described by Western scholars as window-dressing meant to legitimise the Communist Party's grip on power in China. However, Pan said this view ignored important changes already taking place. The standing committee of the NPC, headed by Qiao Shi, was already seeking to enhance its power at the expense of the Communist Party, he said.

"The NPC must listen to a growing chorus of complaints from the people, so they feel the need for more authority," he said, adding that the standing committee significantly amended more than 20 laws last year.

The growing political role of non-communist parties represents the second route by which democratisation would be achieved, Pan said. These so-called democratic parties have in the past been tightly controlled by the authorities and all acknowledge the overall leadership of the Communist Party.

But Pan pointed out that at the recent Beijing municipal elections, a Communist candidate lost to a Democratic Party candidate in Haidian District, which is home to most of the capital's universities and research institutes.

The consensus in Beijing was for a "safe" speed of political change, however. "The Chinese people care about the conditions for their children. As a result, economic reforms have gone faster than political reforms," Pan said.

The devolution of power to local governments as well as the development of the nonstate economic sector would lay the foundations for the civil society that is considered crucial to successful democracy, he believed.

"As long as they are constitutional, the Chinese government will support the emergence of new popular groups," he said. "Up to now, no such groups in the academic or social sphere have posed a serious threat to the Communist Party and government."

The greatest threat to the party came from internal corruption. "Even though two national meetings have been held to deal with this problem, the measures taken so far are not working," he said. "The life or death of the party lies here."

Within Beijing University, Pan said, growing academic freedom had contributed to more discussion about political change and other taboo subjects. "In the past, the party controlled everything we said, but no longer. The atmosphere is now very harmonious."

But Pan had harsh words about the dissidents Wang Dan and Wei Jingsheng, who have been detained and harassed by Beijing police in the past month. "The common people don't care one whit about them," he said. "They know that if the likes of Wang Dan or Wei Jingsheng were to become the leaders of China, they would not be able to handle a single matter well."

As long as dissidents were handled by police in accordance with legal procedures, Pan believed no protests would be raised at their detentions.

Book on Communist Party History Published

OW1004000394 Beijing XINHUA Domestic Service in Chinese 0859 GMT 25 Mar 94

[Text] Beijing, 25 Mar (XINHUA)—A Discussion of Party History and a Study of Party History by the Older Generation of Revolutionaries is China's first collection of important documents specially studying the history of the Communist Party of China. It was recently compiled by the General Study Group of the Party Literature

Research Office under the CPC Central Committee and published by the Shaanxi People's Publishing House.

This book collected 92 important documents totalling 650,000 characters on the party's history. They were written from 1926 to 1991, a time span of 65 years, by 31 older generations of revolutionaries including Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhu De, Ren Bishi, Deng Xiaoping, and Chen Yun. The book is divided into four parts. The first discusses the significance of studying party history; the second is about the scientific attitude and method of studying party history; the third deals with the basic process, characteristics, experiences, and lessons of party history; and the last reviews major events in party history.

Experts are of the view that the book is an important collection of the works of the older generation of revolutionaries who analyzed party history from Marxist standpoints, views, and methods; is a guide for studying party history and doing research on party history under the new historical conditions; and will greatly help party members, cadres, and youth understand and study party history, better understand China's past, cope with future problems, and enhance self-awareness and a sense of historical responsibility for building socialism with Chinese characteristics.

Meaning of Deng Remark on Development Studied

HK1204012594 Hong Kong CHING CHI TAO PAO in Chinese No 12, 28 Mar 94 pp 32-33

[From the "Special Commentary on China's Economy" column by Yu Guangyuan (0060 0342 6678): "On the Meaning of 'Development Is Unconditional Logic'—A Philosophical Principle, as Well as a Fundamental Guideline for Economic Work"]

[Text] Two years ago, Deng Xiaoping inspected Wuchang, Shenzhen, Zhuhai, Shanghai, and other places, making many speeches during the trip. These speeches have an important historic role to play in our country's socialist modernization. Over the past two years, our country's rapid economic development has drawn widespread attention in the world, and the people in our country are delighted and encouraged, and have enhanced their confidence in our country's bright future. Although these speeches two years ago have been studied by people many times, a review of the past can help us to understand the present, and I think that we must always review them and deepen our understanding of them.

These speeches were quickly organized into a document entitled "Key Points of Speeches Made in Wuchang, Shenzhen, Zhuhai, and Shanghai," for the broad masses of cadres in our country to study. Volume 3 of the Selected Works of Deng Xiaoping, which was published in October 1993, included this document. The first part of the document said that "we must liberate productive forces through reform," the second part said that a "market economy does not equal capitalism," and the

third part mainly talked about economic development problems. I believe that everyone will remember the important expositions mentioned in these three parts: "grasp the opportunity to develop ourselves, and the crux is to develop the economy"; "the places that can develop should not be blocked from so doing, and the places with conditions must try their best to develop faster"; "low speed means standstill, or even retrogression"; "our country's economic development must try hard to climb to a new stage every several years"; "Guangdong must climb to several new stages, and try hard to catch up with the four small dragons of Asia in 20 years"; "we must pay attention to the stable and harmonious development of the economy, but stability and harmony are also relative, not absolute, and only development is unconditional logic" [fa zhan cai shi ying dao li 4099 1455 2088 2508 4289 6670 3810—usually translated as "development is the last word"]. The saying that "development is unconditional logic" comes from here. The original remark by Deng Xiaoping was "only development is unconditional logic," a total of seven characters. When people cite this remark, they omit the word "only" for the sake of convenience, so it becomes "development is unconditional logic," a total of six characters, and this is also the way I say it in this article. For me, the purpose in writing this article is to review this portion of the speeches, and to ponder the meaning of his remark: "Development is unconditional logic."

After Jiang Zemin twice cited "development is unconditional logic" at the economic work meeting of 10 provinces and regions in central, south, and southwest China on 27 September 1993, this famous remark by Deng Xiaoping has begun to be cited frequently by people over the past three or four months. To my knowledge, many articles have been written on this remark, but I notice that discussions on it are still inadequate, and expositions are not full, thorough, and comprehensive. I myself have carried out only a preliminary study of it. I think that there is earnest need for our country's academic circles (including myself, of course) to deepen our understanding of this issue.

I think that the argument that "development is unconditional logic," which was proposed by Deng Xiaoping, is a philosophical principle, as well as a fundamental guideline for the current economic work in our country. That is to say, as a philosophical principle, it is one that has great guiding significance to our country's economic work, and as a guideline for economic work, it is one characterized by profound philosophical reasoning.

Although this remark by Deng Xiaoping was not made during a discussion of philosophical topics, what it said was indeed a fundamental principle of materialist dialectics. We all know that dialectics is about a science of "general development," but when Deng Xiaoping phrased it in such a way, it became his innovation. Therefore I think that regarding this remark by Deng Xiaoping, we must first view it as a philosophical proposition when we begin discussing it.

Deng Xiaoping's innovation was that he added the word "unconditional" in front of "logic." I think the word "logic" used here means objective law, which does not change according to man's will, as well as a principle that should be subjectively followed by the people. The argument that "development is unconditional logic," as an objective law that does not change according to man's will, means that things always develop themselves in an uncompromising manner, and that is to say, they cannot be stopped in any case. They can be stopped at a certain point of time, but cannot be stopped forever. There might be such a historical process: A certain force consciously or unconsciously stops the development of things. In such times, "development is unconditional logic" begins to function, and whoever would block this objective law will have his behavior punished by this law, and life will be made difficult for people. Things develop eventually and win victories. This is what we mean by unconditional when it is viewed as an objective law. As a principle to be followed subjectively, we mean that we must voluntarily view the promotion of development as the highest principle, and let all other things obey this principle. The purpose of reform is development, the purpose of opening up is development, the purpose of running operations and management well is development, the purpose of attaching importance to education and to science and technology is development, the purpose of paying attention to stability and harmony is development, and even the purpose of our upholding the basic system of socialism is development.

Everyone knows that unconditional and conditional are "antonyms." Whether it is viewed as an objective law or action guideline, when a certain logic is unconditional, it is because other logic is conditional. Conditional logic [ruan dao li 6516 6670 3810] means something less than unconditional logic. Conditional logic is still logic, not nonlogic. For example, we need sustained, stable, and rapid economic development, so stability is a condition here. Of course, the development of a country or a region requires concerted efforts by various quarters, as well as certain kind of balance, but the argument for stability, harmony, and balance must obey the argument for development, and we must realize the principle that—as dialectics points out—balance is relative, imbalance is absolute. We must attach importance to balance, for it is the opportunity for development. However, we cannot have absolute balance during development. We must not expect development characterized by absolute balance. If we view absolute balance as the guiding principle for work, this will block development. That is to say, when balance, harmony, and similar logic are overemphasized or stressed unduly, they will block economic development. Regarding the relationship between unconditional and conditional logic, we should have the following understanding: The conditional logic that obeys unconditional logic, meaning the conditional logic that conforms to unconditional logic—is real logic, while the conditional logic that confronts unconditional logic—meaning conditional logic that does not conform to unconditional logic—is not real logic.

We must affirm both unconditional logic and that conditional logic which falls into the category of real logic. Which of these two should we often discuss and stress? The unconditional logic, of course. Therefore Deng Xiaoping stressed that "development must not be blocked" and that "low speed even means retrogression." This does not mean that we should not talk about the conditional logic which falls into the category of real logic, but we must refrain from talking to the extent that it becomes a logic that no longer falls into the category of real logic. By the same token, a conditional logic can change from one that is real logic into one which is not real logic. It all depends on how far we go in talking about the logic, and whether we talk about it appropriately. I think we should proceed from using the argument that "development is unconditional logic," to examine the situation of discussions on conditional logic in real life, and to study whether such discussions have surpassed the boundary of real logic. Only when we can often carry out examinations of this kind, can we truly respect the objective law that "development is unconditional logic," and truly do public things according to the principle that "development is unconditional logic."

There is some conditional logic that sometimes is viewed by people as very hard, or as unconditional logic, but it still belongs to the category of conditional logic. For example, on the problem of the ownership system, "public" has been viewed as highly unconditional logic. Before the Third Plenary Session of the 11th CPC Central Committee, almost without exception, "one big, two public" was considered highly unconditional logic. Many people once thought that since we practiced socialism, it was righteous to emphasize "public," and therefore "one big, two public" was highly unconditional logic and could not be a kind of conditional logic. (What I am saying is that it was the actual situation in those days, and I am not saying that in that time someone actually said "one big, two public is unconditional logic." Regarding the term "conditional logic," I do not know if I am the first one to use it here.) We also must admit that even now, this kind of thinking still functions in the heads of some people, and perhaps quite a number of people. Today, some people still obstinately view "one big, two public" as unconditional logic, and even more people do not understand how to view it properly. In fact, even if it is an ownership system that suits the productive forces' need for development, it is itself a condition for development. It is only a means, and development is the end, and as a logic, it cannot be more unconditional than development.

Of course, the argument that "development is unconditional logic," as an objective law that will not change according to man's will, will implement itself in an uncompromising way. When people try to block it, it will mete out punishment, and the force blocking it cannot be more undirectional. The final result still will be development. For example, in more than 20 years before the Third Plenary Session of the 11th CPC Central Committee, the "one big, two public" logic, as subjective

guiding thought, once prevailed over the unconditional logic of development. During the Cultural Revolution, some people even said they "prefer socialist weeds to capitalist seedlings." Hence, we were severely punished. The big disaster led to the great awakening, which led to great development. As a result, we have the reform and opening up since the Third Plenary Session of the 11th CPC Central Committee, as well as the great development over the past 15 years. As an objective law, development, indeed, is unconditional logic. The twists and turns in the history of our country tell us that if we do not do things according to the subjective guiding principle of "development as unconditional logic," then this unconditional logic—as an objective law—will force us to pay a price when it implements itself in an uncompromising manner, and the price can even be a heavy one. This situation is one that cannot be avoided. Now, however, we have learned serious practical lessons over a long period of time, and we have a higher awareness. Deng Xiaoping has already summed up things in his famous remark that "development is unconditional logic," and I think that even if there are some fluctuations, we have reason to hope that we no longer have to pay a great price, and to hope that our country's economy can develop smoothly.

Development must take place in a certain space and at a certain point of time. By space we mean region. Different regions have different situations, and thus different conditions for development. By time we mean a period of time, and different periods of time have different situations, and thus different opportunities for development. Regarding the space and time for development, Deng Xiaoping attached adequate importance to them when he said that "development is unconditional logic." When he said "grasp the opportunity to develop ourselves," he referred to the issue of period; when he said "the places with conditions should try their best to develop faster," he referred to the issue of region. In China, the current period of time should be considered a very good period of time for economic development, and the whole of mainland China should be considered the best region for economic development. The reform our country is carrying out is for the purpose of removing obstacles to development and of creating very good systemic conditions. The developed countries in the world walk ahead of us in terms of economy and culture, so when we adopt the open-door policy, we may borrow whatever achievements we want, and this is a very good condition for development. With such basic conditions, we are completely able to achieve the kind of rapid and long-term development that is difficult for other countries and regions to achieve. Under these circumstances, I think it is very important for us to study and learn from the argument that "development is unconditional logic."

Institute Studies Ideological, Political Work

OW0804233394 Beijing XINHUA Domestic Service in Chinese 0855 GMT 7 Apr 94

[By correspondent He Jingsong (6320 0513 2646)]

[Text] Beijing, 7 Apr (XINHUA)—To keep pace with the development of the socialist market economy and to focus on economic construction, the China Institute for Workers' Ideological and Political Work has been exploring new ways and means to carry out ideological and political work. Its efforts have promoted the development of ideological and political work within enterprises, have stabilized the workers' ranks, and have deepened reform and development.

To improve and intensify enterprises' ideological and political work, over the past two years the institute has dispatched eight groups to investigate nearly 100 enterprises along open coastal areas and in certain provinces and cities; their findings have helped enterprises build stronger party organizations and make decisions on carrying out ideological and political work. Recently, the institute also organized the fifth and sixth national seminars on enterprises' ideological and political work in order to exchange experiences on studying theories of market economy, and called a symposium in Shenzhen to study and discuss the relationship between enterprises' cultural work and ideological and political work in an effort to guide political workers to move out from their "small circles" [xiao xun huan 1420 1789 3883] of ideological and political work and step into the "large circles" of economic construction, reform, and opening up; the symposium also helped the vast number of political workers change their mind sets and improve proficiency so they can meet the requirements of the transformation period as quickly as possible.

According to a person in charge of the institute, the institute will continue to employ its resources for doing ideological and political work for enterprise development. He said members of his institute will serve party committees and governments at various levels as advisers, providing them with investigative findings and relevant information. He said the institute will soon carry out studies on the modern enterprise system as well as ideological and political work, and on ideological and political work in joint ventures and village and town enterprises. He added that efforts will be made to produce significant research results in one or two areas. Meanwhile, the institute will improve its service for grass-roots units, will intensify doing ideological and political work and propagating public opinion, and will provide the grassroots with more effective guidance in accordance with the actual conditions of grass-roots enterprises.

'Major Progress' Made in Copyright Protection

OW0804183994 Beijing Central People's Radio Network in Mandarin 1030 GMT 25 Mar 94

[By reporter Chen Ping; from the "National Hookup" program]

[Text] At a recent international seminar in Kunming on copyright protection and economic and cultural development in Asia, this reporter learned that China has

made major progress in protecting intellectual property rights. China has preliminarily brought in line with international practices its own legal system regarding copyright protection, thus showing that China has basically established a copyright system.

Since last year, the State Copyright Administration and local copyright administrations have formulated and perfected a series of regulations and operating procedures governing copyright administration. At the same time, they have strictly enforced relevant laws on copyrights and have cracked down on all kinds of serious copyright infringement cases. Over the past year, while investigating and dealing with a batch of key copyright infringement cases concerning foreigners, the State Copyright Administration took disciplinary actions against 11 domestic units and individuals.

Modern copyright protection systems such as the collective copyright administration system and the copyright agent system have been established and gradually perfected in China. The Chinese Association for Music Copyrights has gradually standardized its operations. The Chinese Transaction Center for the Payment of Copyright Use has scored preliminary results and has effectively protected the legitimate rights and interests of more than 300,000 authors. At present, 16 copyright agencies have been set up and authorized to serve as a bridge for introducing Chinese works to overseas markets and for bringing excellent foreign works into China.

Since promulgating the Copyright Law in September 1990, China has signed major copyright conventions, including the Bern Convention, the World Copyright Convention, and the Phonographic Record Convention, and it has established ties with more than 100 countries to protect mutual copyrights.

Science & Technology

Exploitation of Applied Satellite Technology

HK0904084294 Beijing ZHONGGUO XINWEN SHE in English 0601 GMT 9 Apr 94

[Text] Beijing, April 9 (CNS)—China is now speeding up exploitation of applied satellite technology and applied technology for satellites in a bid to meet the needs of the economy, science and technology, culture and national defence.

The new generation of applied satellite technology under development at present includes communications satellites of great capacity and long life span, various kinds of meteorological satellites, satellites for navigation, satellites for reduction of disasters and multi-purpose satellites for earth resources. Of these satellites the "Dongfanghong No. 3" communications satellite and the "Fengyun No. 2" weather satellite will go into operation, marking the reaching of an internationally advanced level by China in the use of applied satellites. The "Dongfanghong No. 3" satellite is equipped with 24

transmitters and has a life span of eight years able to suit the needs of satellite communications up to the year 2000 or even longer. The "Fengyun No. 2" is a remote-sensing weather satellite synchronized with the earth's orbit, the first of its kind ever developed in China. The meteorological satellite will play an important role in the development of meteorological science and technology both in China and elsewhere in the international community.

China, meanwhile, is improving and modifying the "Long March" carrier rocket and a number of advanced carrier rockets of greater loading capacity have been successfully developed, meeting needs at home and abroad. The "Long March No. 3B" synchronous carrier rocket has a loading capacity of 4.8 tonnes and 12 tonnes when in low altitude orbit. Other models of the "Long March" carrier rocket have also seen their carrying capability improved to various extents. A communications system with the application of satellites which can cover all areas across the country has been set up. China has also established a variety of ground systems with the use of satellites including a satellite system for quick location fixing and a satellite digital information system. All these kinds of satellite can be used in such sectors as communications, broadcasting, education, weather, resource prospecting, ocean exploitation, surveying, navigation, traffic dispatch, rescue at sea and environmental monitoring.

Scientific Vessel Leaves on 8-Month Pacific Mission

OW0804131194 Beijing XINHUA in English 1200
GMT 8 Apr 94

[Text] Qingdao, April 8 (XINHUA)—A scientific survey vessel staffed by 55 scientists and 52 crew members left here today for an eight-month mission to the central Pacific.

Its sophisticated seabed investigations will study polymetallic structure.

The 4,435-ton "Xiangyanghong 09" will survey a 65,000 sq km area to the southeast of Hawaii.

Scientists said that they will investigate water, climate environment, biological environment, hydro-chemical environment and the seabed landscape.

In addition, the mission will provide an opportunity for some foreign scientists to practise at sea.

The vessel, 15.20 meters wide and 112.9 meters long, has a maximum speed of 18.2 knots. It has completed several scientific missions since 1977.

Much sophisticated exploration and sample-collecting equipment was added to the ship before its departure, according to officials from the National Bureau of Oceanography.

Military

Liu Huaqing Views Spirit of NPC Session

HK1204063294 Beijing JIEFANGJUN BAO in Chinese
23 Mar 94 pp 1, 3

[By Lu Zhixun (0712 1807 8113): "At a Meeting of a Delegation of Leading PLA Cadres, Central Military Commission Vice Chairman Liu Huaqing Urges Army To Contribute to Reform, Development, and Stability"]

[Text] Beijing 22 Mar (JIEFANGJUN BAO)—When the Second Session of the Eighth National People's Congress [NPC] had ended successfully, the People's Liberation Army [PLA] delegation called a meeting for leading cadres to summarize the work during the session, and made arrangements for relaying and implementing the spirit of the current NPC session to all Army units.

Liu Huaqing, head of the PLA delegation and vice chairman of the Central Military Commission [CMC], delivered an important speech at the meeting. Zhang Zhen, deputy head of the delegation and vice chairman of the CMC, presided over the meeting. Attending the meeting were CMC members Ci Haotian, Zhang Wan-nian, Yu Yongbo, and Fu Quanyou.

Liu Huaqing said that, during the current NPC session, all comrades in the PLA delegation have given play to the spirit of democracy, solidarity, seeking truth from facts, and forging ahead to make progress; earnestly performed their duties; and successfully fulfilled all tasks at the session.

Liu Huaqing indicated that the Second Session of the Eighth NPC is very important. The current session adhered to taking Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party basic line as guidance, implemented the spirit of the 14th party congress and Third Plenary Session of the 14th Central Committee, and set out the goal and tasks of government work by centering around the basic principle and overall situation of party and government work this year; all this is of very important significance to guiding economic construction and reform and opening up this year and beyond.

On relaying and implementing the spirit of the current NPC session, Liu Huaqing stressed the need to guide broad cadres and soldiers to grasp the following issues: First, to acquire a clear picture of the fine situation in China's reform and construction, especially the great significance of building a socialist market economic structure, and further bolster confidence in realizing the great goal of national economic construction under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party basic line. Second, to acquire a clear picture of the basic principle of party and government work this year, correctly handle the relationship between reform, development, and stability, and further strengthen the consciousness of being subjected to the overall situation of

the work of the whole party and whole country. Third, to acquire a clear picture of the goals and tasks of economic work and economic restructuring this year, proceed from the basic interests of the party and state, consciously subject personal interests to that of the whole, subject partial interests to those of the overall situation, resolutely support various important reform measures of the state, and actively make contributions to the country's development and the people's prosperity. And fourth, to have a clear picture of the Army's historical mission, consciously give play to fine traditions, and augment the Army's comprehensive construction to provide strong and powerful security insurance to reform, opening up, and economic construction.

Liu Huaqing required that in relaying and implementing the spirit of current NPC session, various units should closely link to the thinking of cadres and soldiers and actual conditions in their work and should make arrangements in a scientific way. Organizations and leading cadres at and above regiment level should link study of the spirit of the current NPC session with study of volume three of the Selected Works of Deng Xiaoping and deepen understanding of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and thinking on army building during the new historical period. At the grass roots, study should be linked chiefly to political education to have a grasp of the basic spirit of the current session. Through relay and study, the thinking of cadres and soldiers is to be unified and their enthusiasm given play to promote army building and reform.

Liu Huaqing said, during the session, Chairman Jiang delivered a series of important speeches and also made an important speech to the PLA delegation. That was of very important guiding significance to our Army in having a clear idea of its historical responsibility, consciously subjecting it to the overall situation of party work and of the whole country, augmenting the Army's comprehensive building, and better taking up the sacred mission of safeguarding the security and unity of the motherland and defending socialist modernization. We must earnestly study his speeches to have a deep grasp of them in resolute implementation.

On army work today, Liu Huaqing stressed that our Army has been obedient to the party all along. Under the new situation, party committees at all levels should grasp augmenting ideological and political building and maintaining the Army's high stability and centralized unity as top priority work. It is imperative to study Volume 3 of the *Selected Works of Deng Xiaoping* in depth and to arm the whole Army with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and thinking on army building during the new historical period.

The building of party style and clean government has a bearing on the life and death of the party and the state. It is imperative to earnestly implement the spirit of the Third Plenary Session of the Central Commission for

Discipline Inspection and the All-Army Work Conference on Discipline Inspection and work hard to make new progress in building party style and clean government. It is necessary to augment building of leading bodies at all levels and grass-roots building in a comprehensive way. The Army should never for a minute harbor a false sense of peace and security. It is imperative to augment military training based on the requirements of military strategy and principles for the new historical period and to work hard to improve combat effectiveness under modern conditions, especially under hi-tech conditions. It is necessary to adhere to being strict in running the Army, do a good job of constant ideological work and administrative work, and run the Army strictly according to various rules and regulations. We should earnestly study the characteristics and laws governing the administration of the Army under the new situation. The glorious tradition of the unanimity of officers and men, showing respect to cadres, and cherishing soldiers should be brought forward, and doing a good job of running the Army by exploring scientific ways of commanding troops. It is necessary to bring forward the fine traditions of support the government, cherishing the people, and further doing a good job of Army-government, Army-people solidarity.

In conclusion, Liu Huaqing said, it is imperative for us to work with one heart and soul, go all out to make our country strong to successfully fulfill all the tasks assigned to our Army by the party and the people under the inspiration of the current session's spirit and the leadership of the Central Committee and CMC with Comrade Jiang Zemin as their core.

PLA's Fu Quanyou Meets ICMM Official *OW1004134494 Beijing XINHUA in English 1324 GMT 10 Apr 94*

[Text] Beijing, April 10 (XINHUA)—Fu Quanyou, member of China's Central Military Commission, met with M. Cools, secretary general of the International Committee of Military Medicine (ICMM), and his party here today.

Fu, also director of the General Logistics Department of the Chinese People's Liberation Army (PLA), thanked Cools for what had done to restore China's seat in the inter-governmental organization.

China is willing to learn from and conduct exchanges and cooperation with other ICMM members, Fu said.

"The Chinese Government and its armed forces support our bidding to host the 31st session of ICMM," he told Cools.

"I think all other ICMM members will welcome China's bidding," Cools assured Fu.

Cools came here April 6 as guest of the PLA's General Logistics Department.

Xinjiang PLA Soldiers Arrest 'Criminals'
OW1104113394 Beijing Central People's Radio Network in Mandarin 1030 GMT 10 Apr 94

[From the "National Hookup" program]

[Text] A number of advanced people who are ready to take up the cudgels for a just cause have emerged recently in the Xinjiang Military District. The regional military district issued a circular on commending and recording the merits of Zhou Fuqun, Zhang Wei, and other fighters who were ready to take up the cudgels for a just cause.

Not long ago, Zhao Ping, a female driver of the Urumqi Taxi Company, was held under duress by two ruffians with knives for as long as seven hours when she was driving a taxicab. When the automobile was passing a military camp in Urumqi, fighters Zhou Fuqun and Zhang Wei, who were on guard and heard the calls for help, promptly rushed to the site of the incident. The two ruffians dropped the female driver and hurriedly ran away when they saw fighters coming in their way. Zhou Fuqun and Zhang Wei fought with the two ruffians, and the ruffians were finally arrested with the help of other fighters and people who rushed to the scene.

At 0300, in the wee hours of the morning, on 6 March, two criminals who had escaped from a prison went to the dormitory of their former friend Wang Guangyao, who is a soldier assigned to guard the Urumqi Medicine Warehouse. Wang Guangyao did not act wrongly out of personal consideration. Wang Guangyao left his dormitory with an excuse of wanting to wash his face and reported the matter to the authorities, and then returned to his dormitory to set the minds of the two criminals at ease. A concerned department immediately dispatched personnel to the site to arrest the two criminals.

Economic & Agricultural

RENMIN RIBAO on Fight Against Corruption
OW1104113894 Beijing XINHUA Domestic Service in Chinese 0751 GMT 11 Apr 94

[Full text] of 12 April RENMIN RIBAO editorial: "It Is Necessary To Permanently Sound the Warning Alarm of Anticorruption and Advocacy of Honesty"]

[Text] Beijing, 11 Apr (XINHUA)—Today, this paper made public two important cases of economic crime, the verdict of which was decided by the Higher People's Court of Beijing Municipality. The first case is: Shen Taifu, former president of the Beijing Changcheng Machinery and Electric Science and Technology Industrial Corporation (hereafter referred to as Changcheng Corporation), took advantage of his position to embezzle public funds by resorting to fraud and other means. He also unscrupulously bribed state functionaries. Because he committed the crimes of embezzlement and offering bribes, he was sentenced to death according to law. Sun

Jihong (Shen Taifu's wife), an offender in the same case, was also sentenced to 15 years of fixed-term imprisonment after being convicted of the crime of embezzlement. The second case is: Li Xiaoshi, former vice chairman of the State Science and Technology Commission, accepted bribes from Shen Taifu and other people, and also took advantage of his position to embezzle public funds. Because he committed the crime of accepting bribes and embezzlement, he was sentenced to a fixed-term imprisonment of 20 years, a punishment for committing more than one crime.

As everybody knows, the illegal fund-raising activities conducted by Changcheng Corporation has been a major financial case rarely seen since the founding of New China. The size of the capital raised by the corporation, the scope of such activities, and the odious consequences caused by the case are shocking. This has once again proved that in the process of reform, opening to the outside world, and building a socialist market economic structure, it is very important and necessary to adhere to the principle of "grasping two links simultaneously," persist in cracking down on serious economic crimes, strengthen the building of a clean government, and continue to launch the anticorruption struggle in a sustained way. We should educate the cadres and the masses by taking advantage of the negative examples involving Shen Taifu and Li Xiaoshi, and draw useful lessons from them.

Under the signboard of establishing civilian-run collective enterprises and developing high science and technology, Shen Taifu played the sinister trick of accumulating wealth by unfair means by using high returns as a bait and taking advantage of the weaknesses of some people who hoped to get quick returns through investment and who were not familiar with financial investment. He was the loudest advocate in raising funds to develop energy-saving electrical machinery. For a time he became a dignified noted figure devoted to pushing reform and developing high science and technology. In fact, there was neither operation nor development in this so-called machinery and electric science and technology development enterprise, and Shen Taifu himself had no specialized strong points in this field. What he did was unscrupulously squandering the huge sum of money he had swindled. The case of Shen Taifu should serve to wake us up to this fact—some economic criminals are very good at pretending. Under an impressive signboard, they can take advantage of loopholes in our work to market their treachery by fishing in troubled waters. The principle of opening up fund-raising channels to establish civilian-run science and technology entities is correct, but enlivening the economy must be done in an orderly manner, and breaking the law is not permitted in opening to the outside world. If we pay no attention to this point, we will be taken in by people with ulterior motives like Shen Taifu. We must support those people who are genuinely devoted to reform, but we must expose those who seek private gain and even violate laws and discipline under false pretenses. We must never let

these people harm the country and the people and smear the reputation of reform. The masses should also improve ability to distinguish people, enhance their awareness of the legal system, and learn necessary economic knowledge in order to avoid being taken in.

Using money to clear obstacles and get things done was Shen Taifu's habitual tactic. In this way senior cadre Li Xiaoshi became captive of "sugarcoated bullets." Li Xiaoshi was not unaware of Shen Taifu's sinister intentions, but he, out of greed, used his power and influence to clear the obstacles in support of Shen Taifu. What were hidden behind all of these were nothing but a succession of deals between power and money. However, the external cause can be activated only through the internal cause. "Things must first rot before they are infested with worms." The fact shows that Li Xiaoshi's embezzlement and bribe-taking did not start at the Beijing Changcheng Corporation case, and this was why he was instantaneously hit by Shen Taifu's sugarcoated bullets. The fact that Li Xiaoshi degenerated from a senior cadre to a criminal offender provides us with a penetrating lesson, which shows that powers in the hands of cadres, especially leading cadres, of some government departments can often easily become the target sought after by lawless elements. Each and every cadre must clearly understand that power in our hands is given by the people and cannot be sold out. Resisting the temptation of money and performing duties with honesty and self-discipline is the basic requirement of cadres. Should they lower guard and be swollen with selfish desire, they will make blunders sooner or later.

It is also necessary to point out that in order to hoodwink the public and fabricate lies, Shen Taifu extended and succeeded partially in extending his sinister hand to some press units and other government departments. Through publicizing this typical case, we should educate journalists to strictly abide by professional ethics, to stop "paid news," and to safeguard the party's clean reputation in the journalistic undertaking. RENMIN RIBAO, as the organ of the party Central Committee, is determined to set a good example in stopping "paid news" and strengthening the construction of clean government, and we sincerely request the supervision by readers at large.

Shen Taifu has been executed and Li Xiaoshi punished, and the judicial organ will, after verifying facts, successively deliver verdicts on some other people involved in the case. All of these can serve as a warning to certain people: It will be a miscalculation to exploit the opportunity of relaxation to invigorate economy and to try by hook and by crook to unscrupulously reap some profit. No matter how criminals conceal themselves and resist obstinately, they cannot escape the punishment by law in the end. We must resolutely implement the party Central Committee's plans on the anticorruption drive. Leading cadres at all levels must take the lead in complying with various regulations for honesty and self-discipline to ensure the achievement of more conspicuous results in the anticorruption drive. In the course of reform,

opening up, and modernization construction, the fight against corruption is a protracted task and the warning alarm of anticorruption and advocacy of honesty must sound continuously.

Cities Selected as Pilots for Comprehensive Reform

OW1104161194 Beijing XINHUA in English 1530 GMT 11 Apr 94

[Text] Shijiazhuang, April 11 (XINHUA)—Eighteen cities, including Tianjin, Guangzhou, Wuhan and Harbin, have been selected to be pilot cities to carry out comprehensive reforms aimed at establishing a socialist market economy.

This was revealed at the national conference on pilot cities carrying out comprehensive reform which opened today here in the capital of north China's Hebei Province.

The other 14 cities selected are Changchun, Shenyang, Nanjing, Chengdu, Xian, Chongqing, Ningbo, Anshan, Tangshan, Yantai, Tongling, Changzhou, Quanzhou and Yanji.

These 18 cities have better sense of reform, better foundation for economic reform and development, and heavier weight in the overall situation. They were selected to probe for a way of deepening the reform and opening wider to the outside world and sum up experience to pave the way for urban reform throughout the country, sources from the current conference said.

During the experiment, however, the central government will not offer any more preferential treatment to the selected cities, the sources said. Instead, the selected cities should completely carry out all the reform measures and the macro-control policies promulgated by the central government. The emphasis of the reform will be put on establishing a modern enterprise system.

State Council Circular on Price Inspection

OW1004221294 Beijing XINHUA Domestic Service in Chinese 1209 GMT 24 Mar 94

[Unattributed report]

[Text] Beijing, 24 Mar (XINHUA)—The State Council recently issued a circular on launching a nationwide general inspection of commodity prices to provincial and municipal people's governments, and to ministries, commissions, and organizations under the State Council.

The circular said: At present, China enjoys a stable political environment and a prosperous economy. However, price hikes occur frequently. Price hikes and unauthorized fees have provoked a strong reaction from the masses. Some enterprises raised prices by taking advantage of the reforms in taxation, in the exchange rate, and of prices; some localities exceeded their authority, set

prices for services, and wantonly collected fees for personal gain; and some shop owners, instead of marking prices clearly on their merchandise, demanded unreasonable prices, fixed prices, and cheated customers. Some of them even earned exorbitant profits from selling fake and shoddy products. These illegal operations have pushed up the general price level and have seriously harmed consumers' interests. To prevent illegal acts of raising prices, establish order with regard to market prices, restrain the general price level from an excessive increase, keep people's lives stable, maintain social stability, and create a favorable environment for the smooth implementation of various reforms, the State Council decided to continue the nationwide general inspection of commodity prices in 1994.

The circular's demands:

1. The Scope, Focus, and Main Content of the Inspection

All enterprises, individual industrialists and businessmen, and administration units authorized to collect fees will be included in the inspection.

The inspection will focus on prices of daily necessities and fees for various services for citizens which are closely related to the people's lives.

The main content of the inspection will focus on illegal acts of raising prices in the second half of 1993. These illegal acts include:

1) Raising prices without authorization by taking advantage of taxation reform and by widening the gaps between purchasing and selling prices and between wholesale and retail prices, and raising prices of products and services by adding additional value-added tax to original prices;

2) Exceeding the authority of price administration to raise prices and service charges that are supposed to be set by the state; wantonly raising and charging fees for railway, highway, and water transportation services; and forcing passengers to buy insurance while selling them tickets;

3) Violating state regulations on reporting the price adjustment plan, on controlling price differences, and on temporary price controls; and failing to mark prices on commodities;

4) Violating relevant state regulations and wantonly raising the prices of agricultural production means such as chemical fertilizers, agricultural films, pesticides, diesel fuel for agricultural use, and electricity in rural areas;

5) Charging fees outside of authority, adding categories of charges without authorization, and increasing fees indiscriminately.

2. The Time and Method of the Inspection

The nationwide general inspection of commodity prices will begin in late March, and preliminary results must be scored by the end of June. Price departments at all levels will be in charge of the inspection. Working together with supervision, finance, taxation, auditing, industrial and commercial administration, and technology supervision departments, they will select cadres to form inspection teams to kick off the inspection. With the price inspection organizations serving as the mainstay, the nationwide general inspection of commodity prices will give full play to price supervision organizations in all fields. It will be conducted by simultaneously carrying out propaganda, handling problems, and correcting mistakes.

In the course of the inspection, it is necessary to bring into full play the role of the mass media in exercising supervision, utilizing radio and television broadcasts, newspapers, and journals to build up momentum and create public support for the general price inspection and to publicize major and serious cases which have created bad influences. It is also necessary to encourage the masses to expose various instances of price violation. Measures for improving and perfecting price management should be worked out promptly to deal with problems uncovered during the inspection and to strengthen enterprises' capability for self-restraint.

Local governments may invite people's congress deputies, members of political consultative conferences, and the democratic parties to take part in the price inspection, bringing into play their role in exercising supervision and offering guidance.

3. Organization and Leadership of the Inspection

The nationwide general price inspection should be carried out and led directly by governments at various levels. Governments at all levels should attach great importance to, strengthen leadership over, and assign a leading comrade to take charge of the inspection, while leaving specific work to the commodity price departments. To ensure the smooth progress of the inspection, it is necessary to keep consistent commodity price departments and staff members, replenish essential inspection personnel, coordinate relations between various departments in good time, and effectively solve practical problems arising in the inspection.

On the basis of investigations and study, governments at all levels should identify focal points, arrange them in the order of their priority, formulate plans, study policies, work out meticulous and well-conceived arrangements to ensure the concentration of resources to achieve breakthroughs in the focal points, and use the experience of selected units to promote work in the entire area, thereby making the inspection a great success.

All departments should step up cooperation and coordination. The finance department should ensure outlays

for investigating price violations uncovered in the inspection; banks should assist price inspection departments to collect, according to the regulations, fines and confiscations that units and individuals being penalized refuse to deliver to the state; the industry and commerce administrative departments should provide active cooperation in regard to price inspection departments' request for suspending a business's operations pending consolidation or revoking its business license; and the public security department should, in pursuance of the relevant laws and regulations, punish those who obstruct inspection personnel from executing their official duties.

The State Council should instruct the State Planning Commission to work together with the supervision, finance, taxation, auditing, industry and commerce administration, and technical supervisory departments in organizing a number of work groups and should send them to provinces, autonomous regions, and municipalities to give inspection-related guidance; while local governments at various levels should also dispatch work groups to go down to lower levels to supervise the inspection.

4. Requirements of the Inspection Work

1) All inspection personnel should diligently study the "Decision of the CPC Central Committee on Some Issues Concerning the Establishment of a Socialist Market Economic Structure" adopted by the Third Plenary Session of the 14th CPC Central Committee, to fully recognize the inspection's great importance for stabilizing commodity prices, reassuring the public, and ensuring the smooth progress of reform programs. It is necessary to conduct training to enable inspection personnel to familiarize themselves with this year's reform programs as well as relevant professional knowledge, policies, and legislation. In the course of inspection, it is necessary to uphold principle, to observe discipline, to perform duties honestly, to strictly enforce the laws, and to handle price violation cases impartially without bending laws for the benefit of relatives or friends.

2) Price inspection offices should sternly handle uncovered cases of price violation in accordance with the "Regulations on Price Management in the PRC" and other relevant regulations. It is necessary to instruct units and individuals involved in price violation to refund their illegitimate incomes to buyers or consumers. Illegitimate incomes that cannot be refunded should be confiscated by price inspection offices, and those involved should be given a fine depending on the degree of gravity of each case.

3) All units and individuals being inspected should voluntarily accept inspection and provide accurate information; those who deliberately create difficulties and refuse to accept inspection will be given a heavy punishment.

4) It is necessary to protect inspection personnel who uphold principle as well as people who expose price violations; and retaliation against them should by no

means be permitted. Those who shield and connive at acts of price violation should be affixed with responsibilities and duly punished.

The State Planning Commission is responsible for the day-to-day work of the nationwide price inspection. Before 20 July, all provinces, autonomous regions, and municipalities should submit to the State Council special reports on progress in the inspection.

Resolution on Taxation of Foreign Firms Published

HK1104002294 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10-16 Apr 94 p 4

["Unofficial translation" of the "Resolution of the Standing Committee of the NPC Regarding the Application of Provisional Regulations on Value Added Tax, Consumption Tax, Business Tax, etc. to Foreign Investment Enterprises and Foreign Enterprises (passed on 29 December 1993 at the Fifth Session of the Standing Committee Meeting of the Eighth National People's Congress and promulgated by the State Council on 29 December 1993)]

[Text] The fifth Session of the Standing Committee of the Eighth National People's Congress has reviewed the proposals on the application of the provisional regulations of Value Added Tax, Consumption Tax, Business Tax, etc., to foreign investment enterprises and foreign enterprises submitted for examination and approval by the State Council. In order to unify the tax system, balance the tax burden, improve the investment environment of our Country, and cater to the need of establishing and developing the socialist market economy, the following resolutions were specifically made:

1. Before the relevant tax laws have been formulated, the Provisional Regulations on Value Added Tax, the Provisional Regulations on Consumption Tax and the Provisional Regulations on Business Tax promulgated by the State Council shall be applicable to foreign investment enterprises and foreign enterprises effective from January 1, 1994. The Draft Regulations of the People's Republic of China on Industrial and Commercial Consolidated Tax adopted in principle at the 101st Session of the Standing Committee Meeting of the National People's Congress on September 3, 1958 by the State Council shall be repealed at the same time.

Value Added Tax for the Chinese-foreign co-operative exploitation of offshore oil and natural gas shall be collected in kind. The tax rates and collection measures shall be separately formulated by the State Council.

2. Where the tax burden of the foreign investment enterprises approved to be established before December 31, 1993 increases due to the imposition of Value Added Tax, Consumption Tax, and Business Tax pursuant to Article 1 of these Resolutions, such enterprises may, upon application to and with the approval of the tax authorities, have a refund on the excess tax paid due to

such increased tax burden within the approved operation period, with a maximum limit not exceeding five years. If there is no limit on the operation period, the enterprise may, upon application to and with the approval of the tax authorities, have a refund on the excess tax paid due to such increased tax burden for a maximum of five years. The detailed measures shall be formulated by the State Council.

3. Apart from Value Added Tax, Consumption Tax and Business Tax, the application of the other types of taxes for foreign investment enterprises and foreign enterprises shall be implemented in accordance with the laws when there are provisions in the laws; and be implemented in accordance with the stipulations of the State Council where there are no provisions in the laws.

Foreign investment enterprises mentioned in these Resolutions means foreign companies, enterprises and other economic organizations which have set up establishments or places within the territory of China to engage in production or business operations, as well as those which, though they have not set up any establishments or places, have income source within the territory of China.

These Resolutions shall come into effect on the date of promulgation.

Bank of China To Expand London Branch

HK1104002094 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10-16 Apr 94 p 3

[By staff reporter Ren Kan: "BOC's Arm in Britain Adds Brawn"]

[Text] The Bank of China's London branch is seeking to expand its merchant banking business to intensify its activities in the world financial centre.

The branch has decided to set up a merchant banking division and it is expected to play an important role in BOC's global business, said Li Zhuangfei, assistant general manager of the branch.

One focus of the new division will be structured financing, including syndicated loans and aircraft leasing.

The branch has been engaged in this business for several years. It has completed two major aircraft leasing deals, one for Xiamen Airline and the other for Southern China Airlines.

Both of these entailed complicated structured financing involving commercial lending, U.S. export credits, equity and leasing.

The other area the branch is to concentrate on is corporate financing, including advising European companies on doing business with China and helping Chinese companies invest in Europe.

Li said the branch is also interested in underwriting China-related shares.

"We hope to help list Chinese shares on the London Stock Exchange in the future," he said.

China has selected 22 domestic firms for possible listing overseas this year.

Although most will be listed in Hong Kong, State securities authorities have indicated that some will be listed in New York and London.

Li said the Bank of China's London branch is now recruiting staff in London and is applying for licensing.

"We know that our path will have many twists and turns, but we are confident that we will reach our destination," he said.

The London branch was set up in November 1929, the first overseas branch of the Bank of China.

The branch was originally staffed by only three English bankers but has been expanding steadily and now employs 200 people.

It conducts a comprehensive range of businesses, including savings and lending for the Chinese community in the United Kingdom, trade settlement between China and Europe, foreign exchange trading, inter-bank borrowing and interest rate swaps.

The branch has become an important member of London's banking community.

"Although we have achieved a great deal in London, we still have a lot to learn and many new goals to be realized," he said.

The unprecedented structural changes in China's economy impose a duty on the branch to explore new businesses to support the reform, Li said.

He said his bank is seeking to better use the advantages of London which he called the most international, flexible and advanced financial centre in the world.

The city has the world's largest foreign exchange market, with an average daily turnover of \$300 billion. It has the biggest foreign banking community, with offices of over 600 banks. Of the top 100 banks in the world, 99 have offices in London.

First 'Investment Fund' Listed in Shenzhen

HK1104002494 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10-16 Apr 94 p 6

[By staff reporter: "Investment Fund Listed in Shenzhen"]

[Text] The first standardized investment fund, the Tianji Fund, has recently been listed on the Shenzhen Securities Exchange.

The Tianji Fund was established in January 1993 by Fund Management Co of China Shenzhen Investment Fund Management Co Ltd (SIFM). A total of 581.47 million yuan's (\$66.8 million) worth of fund units were issued, at a price of 1.03 yuan (11.8 cents) apiece.

Tianji Fund's organizational framework, internal operations and management are based on international standards. The responsibilities of the manager and trustee are clearly separated to ensure that the trustee effectively supervises the manager.

Tianji Fund is designed to increase assets while spreading risks through diversified investments, as well as to service small and medium investors. Its portfolio includes securities, real estate, money markets and share rights.

As the first fund management company, SIFM is cultivating foreign partners to develop overseas business.

According to officials of Tianji, China's emerging securities market has more individual and fewer institutional investors. It is widely recognized that the lack of institutional investors is the main cause of the stock market's persistent sluggishness.

An investment fund is necessary to stabilize the market and stimulate the development of capital markets the Tianji officials say.

The listing of the Tianji Fund marks a new stage in institutional investment in securities, fund officials say.

However, many problems stand in the way of the development of such funds in China, such as the absence of effective laws. Few funds in China are based on international regulations, and China itself has only one document governing investment funds—the Contemporary Regulations on Investment Fund Management, issued by the Shenzhen municipal government.

Comprehensive laws are urgently needed to ensure that funds can operate properly and orderly, Tianji officials say. In this respect, China can learn from other countries in building its own system.

CCTV Program on Special Trade Taxes

OW1004191794 Beijing Central Television Program
One Network in Mandarin 0515 GMT 26 Feb 94

[Seventh of seven question-and-answer talks sponsored by the State Economic and Trade Commission (SETC) and the State General Administration of Taxation, chaired by Wei Dong, deputy director of the SETC's Department of Enterprises: "Answers to Questions Regarding Enterprises' Implementation of the New Tax System"—recorded]

[Excerpts] [Wei] In today's talk, we will discuss some special questions confronting some special trades. Deputy Director [of the State General Administration of Taxation's Department of Indirect Taxes] Chen [Jie], in

our previous talks, we have discussed issues relevant to value-added taxes, consumption taxes, and income taxes. Today we would like you to answer some questions relevant to special trades. [passage omitted]

[Gao Feng, deputy director of the Policies and Regulations Department under the Ministry of Coal] In the past, enterprises paid a 3-percent product tax, which was the previous tax rate. Now that the product tax rate has been raised to 17 percent, the additional tax must be reflected in prices. Should we assume that this problem can only be solved by setting new prices?

[Chen] This problem should be observed through the central authorities' price policy. First of all, we must understand that prices must not be changed. But how can problems caused by additional taxes be solved if prices cannot be changed? In most cases, the problems can be solved in two ways. First, while introducing the value-added taxes, the state has also adopted tax-cutting measures, such as exempting enterprises from paying the two funds [fund for major energy and communications development products and fund for budget regulation] and reducing enterprises' income taxes. The second solution rests with enterprises themselves. Enterprises should have more efficient management and they should tap their potential. While the majority of enterprises can cope, some enterprises have problems dealing with the higher taxes. The state has been studying ways to help these enterprises. [passage omitted]

[Zheng Guangzhao, chief accountant of the Beijing Papermaking and Packaging Industrial Company] I remember that in 1987, the State Council encouraged enterprises to recycle renewable resources. The Ministry of Finance, the State Economic Commission, and the General Administration of Supply and Marketing Cooperatives in those days also supported the policy by deducting or exempting these enterprises' tax payments. Because this preferential policy has not been specified in the new tax policy, these enterprises face the problem of having to pay higher taxes during the transitional period. Can you comment on this issue?

[Chen] [word indistinct] invoice and [word indistinct] constitute the foundation of the new value-added taxes. If the paper you produce by recycling waste paper is tax-exempted when it is being marketed, then you are neither entitled to tax deductions nor to the use of a special invoice. And if your buyers cannot enjoy the deductions, then they may not want to buy paper from you and your sales will be affected. In the past, nobody was sure what new problems might be caused by the policy of giving preferential treatment to the comprehensive use of material resources. However, we have decided to carry out a serious follow-up study of this issue following the introduction of the new tax system. We believe that there will be a proper solution. [passage omitted]

[Wei] Deputy Director Chen, some enterprises recently asked us some tax-related questions. I would like to

mention two of the questions here. The first one is how are retail sales of paging equipment and cellular phones taxed? The other one is how are products made of grain—like steamed stuffed buns and pastries—taxed?

[Chen] The way that retail sales of pagers and cellular phones are taxed is different from how retail food products are taxed. According to what we know, some pagers are now sold by the telecommunications bureau, and some are sold by stores on its behalf. Generally speaking, the prices of papers and cellular phones are made up of two parts: the prices of the pagers themselves and the prices charged by the telecommunications bureau. After a customer has purchased a pager, the telecommunications bureau has to provide the buyer the needed services, including labor services. As for cellular phones, some are also sold by the telecommunications bureau, and some are sold by retail stores. The prices of cellular phones, however, are different from pagers. Some prices are the prices of the phones themselves, and some prices also include telecommunications services to be provided in the future. This being the case, we have decided to impose business taxes on the prices of pagers or cellular phones sold by all units providing telecommunications services—including the telecommunications bureau and other units engaging in the telecommunications business—as well as service charges. The tax rate is 3 percent. The sales of pagers and cellular phones alone are subject to value-added taxes.

When a retail store sells pagers or cellular phones on behalf of telecommunications units, the prices it charges are subject to value-added taxes, no matter whether or not labor services will be provided in the future. Of course, after this store has sold the equipment for the telecommunications units and delivered the money to them, we will not tax the telecommunications units for the money in question.

As for the sales of commodities such as cakes, pastries, and candies, they are taxed like other commodities. When they are sold, their pretax prices should be multiplied by 17 percent, and then the taxes stated in the special invoices issued when they were purchased should be subtracted from the total. [passage omitted]

Program Notes How To Fill Out Tax Documents

*OW1004184194 Beijing Central Television Program
One Network in Mandarin 0535 GMT 25 Feb 94*

[Fourth of seven question-and-answer talks sponsored by the State Economic and Trade Commission and the State General Administration of Taxation, chaired by Jiang Qiangui, director of the State Economic and Trade Commission's Enterprise Department: "Answers to Questions Regarding Enterprises' Implementation of the New Tax System"—recorded]

[Excerpts] [Video opens with shots of three men and two women seated at a long table in a room, then cuts to show medium shots of the moderator] [Jiang] Viewers

and comrades: We are presenting today the fourth lecture in the series "Answers to Questions Regarding Enterprises' Implementation of the New Tax System." The major topics of this lecture are how to fill out value-added tax invoices, tax returns, and other relevant issues. Deputy Director [of the State General Administration of Taxation's Turnover Tax Department] Chen [Jie], could you please tell us how to fill out value-added tax invoice forms?

[Chen] As for how to fill out the form, detailed regulations can be found in the regulations governing the use of value-added tax invoices issued by the State General Administration of Taxation. Generally speaking, it is necessary to fill out the forms honestly. [words indistinct] I would like to explain technical problems such as how to fill out the price, amount, tax rate, and tax amount columns. First of all, prices which do not include value-added taxes should be filled in in the unit-price column. As for the sale amount, which is called the amount column in the invoice, it should be filled in with enterprises' sale amount, not including the value-added tax. As far as the tax rate is concerned, it depends on what tax category a specific commodity belongs to. For example, if the tax rate for the commodity is 17 percent, then you should write 17 percent; if the tax rate is 13 percent, then you should write 13 percent. As to the tax amount, its formula is as follows: the sale amount multiplied by the tax rate equals the tax amount. The tax amount should be filled in in the tax amount column. [passage omitted]

[Jiang] Do you have any question about this issue?

[Liu Jian, deputy manager of the Beijing Medical Radiographic Equipment Plant] When we levy value-added tax, we should show a tax certificate and fill in the tax certificate number in the form. Don't you think such a procedure is too complicated?

[Chen] When we sell commodities which are not tax-free, we must fill in commodity names and value-added tax amounts. The purchaser can file for tax refunds with the invoices on which tax rates are clearly indicated. Otherwise, they are not eligible for tax refunds. This procedure helps promote mutual supervision among enterprises. [passage omitted]

[Chen Shuqi, chief of the financial section of the No. 4 Beijing Pharmaceutical Plant] Deputy Director Chen, products produced by pharmaceutical plants are often lost or damaged while being shipped. The procedure for returning products stipulated in the new taxation law is fairly complicated. Is it possible to retain the former procedure—that is, to use the central bank's repudiation notice as evidence of a commodity return?

[Chen] I agree that the current regulations are relatively complicated. The current regulations, to put it simply, are this: If the purchaser returns the goods before paying for them or registering them in the account, the invoices for such goods should be returned. If the goods have been paid for or registered in the account, the purchaser

should go to the local taxation organ to ask for a return certificate in duplicate. One copy of such a certificate should be returned to the seller. After receiving such a certificate, the seller shall issue a red invoice which should be sent to the purchaser. With this red invoice, the seller can readjust the sale income amount in the account record, while the purchaser can readjust the cost of the goods purchased. This procedure is indeed relatively complicated. [passage omitted]

[Zhang Qipeng, chief accountant of the Beijing Automobile Industrial Corporation] I have a question for you. We have a large amount of merchandise left over from 1993 on which we have paid taxes. Now we are not able to offset this tax payment. We do not know when we are allowed to offset this tax payment. We are waiting for detailed information. Because of this, we are suffering from insufficient operational funds. How are we supposed to solve this problem? Can this particular tax payment be reduced, exempted, or suspended?

[Chen] First of all, let me explain how to deal with the problem of tax payments for goods in stock. In 1994, your enterprise is allowed to calculate tax payments in three phases. In January and February, your enterprise is allowed to calculate monthly tax payments according to your amount of sales. The third phase covers the period from March to December. [passage omitted]

[Zhang Qipeng] My next question is about the reduction and exemption of value-added tax. Are enterprises allowed to postpone tax payments when they encounter financial problems?

[Chen] The problem concerning a reduction and exemption for value-added tax indeed exists. When enterprises experience financial problems, they are allowed to postpone their tax payment, but they have to apply for the postponement first. They can file a report with local taxation organs to explain temporary problems they are having.

[Jiang] Because the value-added tax is levied by the State General Administration of Taxation, shall such authorization procedures be approved by this organ?

[Chen] Concerning the limit of authorization, the general rule is this: Unified tax reduction and exemption is to be approved by the State General Administration of Taxation. Only central authorities have the power to decide on tax reduction or exemption. As for postponements of tax payments, enterprises can seek approval from local taxation organs.

[Jiang] This is the end of today's lecture.

'Key Points' of Confidential Policy on Auto Industry

HK1104001894 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10-16 Apr 94 p 1

[By staff reporter Wei Min: "New Policy Benefits Car Buyers"]

[Text] A new policy governing China's budding automotive industry seems appealing to both manufacturers eager for business and consumers who dream of owning a car.

The policy, which was approved by the government last month, for the first time orients the auto industry toward the interests of everyday consumers.

The policy document is kept confidential, but key points have been released by government officials.

China's market of 300 million households, comprising 1.18 billion people, is potentially the world's largest. However, since the average worker earns only 4,000 yuan (\$460) a year, most of the 1 million sedans now in use are owned by work units.

Experts predict that competition will be intense among auto makers, Chinese and foreign, to develop affordable small cars.

Business Weekly has learned that foreign companies such as America's General Motors Corp and Ford Motor Co, France's Renault SA, Sweden's Volvo, South Korea's Daewoo Motor Co and Japan's Nissan Motor Co will launch components-manufacturing projects in China before long.

Industry observers are paying close attention because such projects can be developed into car-assembly plants in a short time.

China now has six assembly ventures with Germany's Volkswagen AG, France's Peugeot SA, America's Chrysler Corp and Japan's Suzuki Motor Corp. These plants produced 230,000 sedans last year.

"Don't worry about competition," a reform-minded official said. "Competition among auto makers benefits customers as well as the growing market economy."

The new policy does try to promote the development of domestic manufacturers.

For instance, it prohibits the approval of new assembly plants over the next two or three years. After that, approval will be withheld from projects that would assemble cars with complete knock-down components from overseas.

In new ventures at least 40 percent of the parts used in assembling cars must be made in China. In three years that proportion must be 60 percent.

Sources close to the negotiations with foreign auto makers say potential investors seem undeterred by the policy.

The market is too big to ignore, and all foreign manufacturers planning to invest in China say they like competition.

Aside from foreign auto makers quite a number of Chinese plants are developing low-priced cars.

Some claim that in a couple of years mini cars selling for 20,000 yuan (\$2,300) will be available.

Experts point out that low-priced vehicles are not necessarily low quality and heavily polluting.

Besides standards for safety, quality, fuel consumption and exhaust emissions, the experts say, manufacturers should also pay attention to road and repair conditions.

In addition to the 230,000 sedans made in China, about 400,000 vehicles from overseas entered the country through various channels.

Car smuggling was rampant in 1992 and last year but has now been stopped. Nevertheless, people still ask if Chinese-made sedans will be good enough to compete with imports.

It is believed that China will have to cut tariffs on imported cars if, as expected, it rejoins the General Agreement on Tariffs and Trade (Gatt) this year.

A long-time industry observer pointed out that current situation shows the government has not yet made up its mind to give the industry free rein to develop.

No official permission has been granted for large enterprise groups to raise urgently-needed development capital at home or abroad despite years of appeals.

Oil Industry Official Interviewed on Reserves

HK1104002694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10-16 Apr 94 p 8

[By staff reporter Chang Weimin: "Search for Oil Will Be Intensified"]

[Text] China is to beef up prospecting for new reserves of crude oil in its eastern part, where major oilfields are concentrated.

The efforts are expected to verify enough reserves to make up for declining production in old oilfields.

Fields in the eastern part produce some 124 million tons of oil a year. In addition, five oil-bearing areas are to be developed in the next three years and are expected to yield at least 10 million tons of oil annually.

Due to decades of exploitation, production at some old oilfields has slumped over the past three years.

New technology will be used to recover more oil from old fields and to develop heavy and super-heavy oil.

Measures for that purpose were outlined at what was billed as a "historic" conference held late last month by the China National Petroleum Corp (CNPC).

A senior official from CNPC's Production and Development Department last week said the measures have raised the confidence of Chinese.

In an interview with Business Weekly, the official, who declined to be identified said the five oil-bearing areas will be part of a "second battlefield" to launch major maneuvers by the energy industry.

The areas include the Liangjiang district of the Songliao Basin, a block covering parts of Ningxia Hui Autonomous Region and the provinces of Shaanxi and Gansu, and the shallow waters of the continental shelf in the Bohai Bay.

If successful, the measures will ensure that annual oil production in the eastern part remains above 124 million tons in the next seven years.

Last year onshore oilfields produced 139 million tons of oil.

China has expertise in enhancing the recovery of oil from old fields, but the official said major efforts are necessary to perfect the expertise and to develop new technology.

The official spoke highly of last month's conference, saying it was rare that nearly all senior officials and experts engaged in onshore oil production attended the week-long conference.

The official reiterated the importance of stabilizing production in the eastern part as a precaution in case big discoveries are not made soon in the Tarim, Turpan-Hami and Junggar basins in Xinjiang Uygur Autonomous Region. The three basins are expected to be the core of oil production in the next century.

Some Chinese are wondering why the country, which lacks enough energy for an economy of 1.18 billion people, does not buy more oil from overseas when prices are only about \$13 a barrel.

Instead, high-ranking officials and oil industry professionals seem to have worked out various plans for drawing every drop of oil out of the ground.

Officials from different sources have ruled out raising oil imports because the country lacks the foreign currency to pay for it.

China's imports of oil have been on the rise over the past several years and this year will be equal to exports.

But next year the country is likely to become a net importer of oil. Experts predict demand for crude oil will exceed planned production.

China imported 15 million tons of oil in 1993, compared with 19.31 million in 1992. Last year oil exports were 19 million tons, 1.7 million less than in 1992.

Article Analyzes Rural Labor Exodus

OW1104093294 Beijing BAN YUE TAN in Chinese
25 Feb 94 pp 9-11

[Article by Wang Yanbin (3769 6056 1755): "Another Year of Ups and Downs in the Annual Upsurge of Migrants"; passages between slantlines published in boldface]

[Text] The annual upsurge of migrant workers was even worse this year. According to information from various localities, tens of millions of surplus rural laborers left home to find jobs elsewhere after the Spring Festival. Many of them left home to find urban jobs for the first time and became new members of the migrant community.

The most striking feature of the migrant upsurge is that tens of millions of peasants travel here and there to find jobs after the Chinese New Year, at a time when urban residents return home after visiting relatives in the countryside, and the two groups of travelers create a "spring travel tide." On the crest of the tide are the migrant peasants, who are particularly noticeable because of their large numbers.

What Causes the Upsurge in Migrant Workers

The flow of large numbers of rural laborers began in the second half of the 1980's with the readjustment of the rural production structure and further economic development in the coastal regions. The migration reached its first high tide at about the time of the 1988 Spring Festival. Some of the rural laborers who worked in urban and coastal areas went home as a result of the economic retrenchment over the next three years, but the general trend of migration did not decrease. Since 1991, the annual exodus of rural laborers has become larger and larger, causing concern among both the government and the people.

In a certain sense, the upsurge of migrant workers is a concentrated indication of the problems of rural areas, agriculture and peasants, showing fully the impedance caused by an excessive population to China's economic and social development after the opening up of the market.

The household contract responsibility system, which links remuneration to output, has solved the problem of feeding the rural population, but a growing surplus labor force has been created due to limitations on the availability of land. New village and town enterprises have created nearly 1 million jobs for the surplus rural labor force. However, job creation has been uneven from region to region and the problems of the surplus rural labor force are becoming worse and worse in central and western regions and in some of the less developed areas in coastal regions. In these regions peasant income has

increased slowly and they lack development opportunities. Some of these peasants, not content with the situation, were the first to leave home and look for opportunities elsewhere. Following their lead, other villagers left home for coastal regions and cities. As a result, the exodus of rural laborers after each Spring Festival has become the biggest social news every year.

Generally speaking, the flow of the rural labor force from one province to another is part of the great historical process. Such spontaneous regulation and balancing of the labor force has, to a certain extent, helped some less developed rural areas become better off sooner, and has greatly supported economic development in the developed regions.

In Jiangsu's Wuxi County, which has the greatest economic strength of any county in China, migrant workers yield an annual output value of more than 5 billion yuan.

The leaders of some northwestern provinces and regions have openly pointed out: "After one person leaves home, the entire family will be freed from poverty." We should send surplus rural labor force to work elsewhere and deem the action an important way or even a strategic measure to free the people from poverty.

The peasants of Sichuan and Hunan Provinces working in other provinces send home their earnings of more than 10 billion yuan a year, and they are the major source of increased income of peasants. In many places where village and town enterprises are of weak foundation and poor economic efficiency, the total earnings of peasants working away from home are much greater than the total earnings of those enterprises. According to a most conservative estimate by the department concerned, the total annual earnings sent home by peasants across the country amount to 50 billion yuan. According to another estimate, the social wealth created by migrant workers across the country exceeds 3 billion yuan a year.

Of course the upsurge of migrant workers also poses a series of problems concerning urban and rural political affairs, economy, culture, and population. The Third Plenary Session of the 14th CPC Central Committee has unequivocally pointed out that the existing household registration system will be reformed in the near future. How to guide, coordinate, and organize such a large flow of migrant workers among provinces is a social problem demanding prompt solution.

Useful Exploration and Trial

Guangdong Province was the first to disperse, guide, and manage migrant workers. Since as early as 1988, Guangdong has stepped up the management of the inter-provincial labor service market and promoted labor service cooperation. Now, some major labor-export provinces have set up labor service management offices in Guangdong. In this regard, Guangdong has found out some effective labor control methods. For instance, it invariably stops hiring migrant workers during the peak spring travel period—January and February—and

migrant workers from other provinces must carry at all times in their person three certificates—ID card, permit to work away from home issued by a labor department at the county level or above, and single status certificate or family planning certificate.

Through the establishment of a labor service market base, Beijing since 1991 has effectively managed migrant workers from other parts of the country. The municipal labor department has successively established a cooperative relationship in labor service with Hebei, Sichuan, Shandong, Jiangsu, Zhejiang, and Gansu; and has gradually formulated rules and regulations which standardize the procedures for hiring migrant laborers to work in the construction, textile, and environmental protection fields.

Sichuan, a major labor export province, has adopted concrete measures. The provincial government has stipulated that each migrant worker group must have a leader or coordinator. If it is a very large group, the government will assign a cadre to travel with it and manage it. The province has set up labor service development leading groups and offices at and above the county level and established labor service training bases and labor service exchange markets.

Five million migrant workers from Hunan are working in other provinces. The provincial labor department has already joined Guangdong, Guangxi, Hainan, and five other southern provinces and regions in establishing a labor service cooperation information network. It has also set up labor service offices in Guangdong and Zhuhai. More than 60 percent of the counties in Hunan have had offices in coastal regions. Those offices are responsible for collecting information, issuing certificates and registrations, arranging transportation, and providing escorts to travel with migrant groups. In this way, large numbers of laborers are organized to leave for labor service markets in coastal regions.

Tianjin Municipality in the past tried to expel and block migrant workers and imposed fines on them, but none of those efforts worked. In recent years, it has shifted its efforts from "blocking" to "dispersal" and the new efforts prove remarkably effective. For instance, Tianjin's Hongqiao District used to be the gathering place of a large number of rural laborers. The district labor department has set up an employment agency which can accommodate several hundred job seekers and even provide food and lodging service to some of them.

Tianjin Municipality has also built labor service bases in Shandong, Hebei, Jiangxi, and Anhui Provinces so that

the job seekers can wait there for employment opportunities. Since the employment is through the labor service market, the blind flow of migrant workers has decreased.

While various localities were actively exploring ways for managing labor export, the Ministry of Labor in October 1993 published an "urban and rural employment coordination plan." The plan specifically calls for organized efforts to guide rural labor exodus through legitimate channels, for the hiring regions to formulate necessary labor market rules and management system to manage incoming laborers, and for offering and improving services to migrant rural laborers during the entire course of their trans-regional travel. By implementing the plan, the Ministry of Labor expects to ensure an orderly labor force flow in all localities by the end of 1996.

Get at the Root of the Problem

While it is necessary to organize and guide the flow of migrant workers at present, the permanent solution of the problem is to accelerate the economic development in the central and western regions so that more jobs will be created for the local surplus labor force.

Village and town enterprises are a large "container" to accept rural surplus labor force. They created 9.72 million jobs in 1992 and more than 7 million jobs in 1993. However, they are still far from being able to accept all the rural surplus labor force which is in hundreds of millions. The places of origin of migrant workers should consider local realities and make more efforts to develop economic projects that need smaller investment, yield quicker results, and hire more workers. Developed coastal regions should accelerate the relocation of their labor-intensive industries to less developed regions and absorb more surplus labor force into the secondary and the tertiary industries.

The development of "three-dimensional agriculture [li ti nong ye 4539 7555 6393 2814]" and high-yield, high-quality, and high-efficiency agriculture can refine the division of labor within the primary industry and absorb more rural labor force.

In recent years, there have been a number of townships and towns with quite developed secondary and tertiary industries in the central and western regions. They are like "sparks" illuminating the local economy. We can expect that with the rise of those industries, most of the central and western regions will be like coastal regions where some peasants leave crops field but not the village as they work for factories without having to go to cities.

East Region

Fu Xishou Discusses Propaganda Work at Meeting

OW1204003394 Hefei ANHUI RIBAO in Chinese
6 Mar 93 pp 1, 3

[By Anhui radio station correspondent Hua Yan (5478) and ANHUI RIBAO correspondents Li Changwen (2621 2490 2429) and Huang Xiaohong (7806 2556 4767)]

[Text] At a provincial meeting on propaganda and ideological work held on 5 March, Comrade Fu Xishou delivered an important speech.

Comrades Lu Rongjing, Wang Taihua, Liu Guangcai, Du Cheng, Tu Yijin, Yang Duoliang, Wang Sheyun, and Hou Yongtong attended the meeting, which was presided over by Comrade Fang Zhaoxiang.

Fu Xishou's report is composed of three parts: first, concerning the economic situation in 1993; second, concerning this year's economic work; and third, opinions about propaganda work in the economic field.

While talking about Anhui's economic situation since 1993, Fu Xishou said: Anhui enjoyed fairly rapid development in 1993. Despite economic fluctuations, Anhui has achieved its goal of maintaining rapid economic growth. As a result, Anhui ranks high in economic growth among all provinces in China. Bumper agricultural harvests and overall improvement of the rural economy have effectively supported the rapid growth of the national economy. Industrial production, which has increased by a large margin and enjoyed a large expansion in overall economic performance, has played a role in spurring rapid economic growth. Fairly good results have been achieved in the construction of infrastructural projects, adding more strength for economic development. In line with rapid economic growth, Anhui's incomes have remarkably improved, as have the incomes of its urban and rural residents. Important progress has been achieved in reform and opening up. The national economy has become more market-oriented. As a result, economic development is further invigorated.

While talking about this year's economic work, Fu Xishou stated: Generally speaking, the basic tasks for this year's economic work are to deepen reform, promote development, and maintain stability by seizing opportunities and by doing our job in a thorough manner. Efforts should be made to ensure that reform, development, and stability will coordinate and promote one another. To achieve good results in performing this year's work, he put forward the following requirements: We should have a full understanding of current favorable opportunities and make good use of them. We should try in every possible way to maintain good momentum in our economic growth. Major efforts should be made in optimizing economic structures and enhancing economic performance. Particularly, we should rely on scientific

and technological progress in a bid to manufacture more products with less input. In carrying out this year's reform, we should continue to concentrate on changing the management mechanism of state-owned enterprises; on actively exploring effective methods to establish a modern enterprise system; on accelerating reform in finance, taxation, banking, foreign trade, foreign exchange, planned investment, and other fields; and on establishing a macroeconomic control system that meets the needs of a market economy. More efforts should be made to carry out reform. With new breakthroughs in reform, we can achieve greater economic development. We should discover in a timely fashion and pay great attention to the problems cropping up during the course of reform and economic development so as to maintain stability of the overall situation.

Concerning how to carry out the current propaganda work in the economic field, Fu Xishou put forth the following opinions: First, it is necessary to uphold the correct guidance of public opinion so as to steer Anhui people's enthusiasm and creativity to the drive of reform and economic development. This year's reform is unprecedentedly large in scale. We should have a clear-cut stand in publicizing and supporting reform. We should provide effective ideological guarantees and a fine public opinion environment for the introduction of major reform measures. Second, it is necessary to establish and give publicity to Anhui's new image. In doing so, the people of Anhui should seize opportunities, deepen reform, open up wider to the outside world, and speed up economic development. In addition, we should also try to do a good job on the propaganda and ideological front. We should have a good command of the overall situation, persist in seeking truth from facts, and neither overestimate nor underestimate our capability. We should make more efforts in giving publicity to Anhui's achievements and progress. Third, we should actively explore new methods for carrying out propaganda work under a socialist market economy. In light of the central work and important plans of the party and government, we should effectively organize large propaganda campaigns and enhance our ability in organizing such campaigns. Meanwhile, we should pay attention to in-depth publicity. Particularly, we should be good at scooping out economic news which are of important significance of the times. Continued efforts should be made to publicize our excellent enterprises and quality products. Fourth, leaders at all levels should pay great attention to propaganda and ideological work, and should support such work with real actions.

More than 570 comrades heard Fu Xishou's report. They were party secretaries and propaganda department heads of all prefectures and cities; directors of all county-level propaganda developments; responsible persons of relevant units directly under the provincial government; responsible persons of universities and large enterprises; and responsible comrades who attended the provincial meetings on radio and television work, cultural work,

foreign propaganda work, press and publication work, and work concerning provincial federations of literary and art circles.

Fujian Governor Reports 'Rapid Economic Growth'

*OW1104081294 Beijing XINHUA in English 0748
GMT 11 Apr 94*

[Text] Fuzhou, April 11 (XINHUA)—Fujian Province, a pilot in China's reform and opening up, scored rapid economic growth and higher living standards in 1993, according to provincial Governor Jia Qinglin.

Addressing the annual session of the provincial people's congress that opened here yesterday, Jia said that Fujian's gross national product (GNP)—the value of all goods and services produced—shot up by 25.4 percent to nearly 96.8 billion yuan in 1993.

As a result, Fujian had quadrupled its 1980 GNP by the end of 1993, seven years ahead of schedule, he said in his government work report.

The governor also released the following figures to illustrate Fujian's economic achievements in 1993:

- Industrial output value climbed 48 percent to 149 billion yuan;
- Agricultural output value rose 11 percent to 39.5 billion yuan;
- Grain production reached 8.69 million tons; and
- 13 priority infrastructure projects were completed.

He attributed Fujian's rapid economic growth to macroeconomic control measures and efforts to optimize the industrial structure and improve economic returns.

"Rapid economic growth has made it possible for Fujian residents to enjoy higher living standards," he said.

In real terms, the per-capita income of urban residents rose by 6.8 percent to 2,605 yuan, and that of rural residents by seven percent to 1,211 yuan.

Apartment buildings with a total floor space of five million sq m were completed last year, he said, adding that the floor space for urban residents rose to 10.8 sq m per person.

On the whole, rural residents live in more spacious homes, with per-capita floor space rising to 22.4 sq m in 1993, he said.

In a move to eliminate poverty, he said that the provincial authorities have decided to resettle 100,000 poverty-stricken residents in areas with good natural conditions and bright development prospects.

These residents should be encouraged to move, on a voluntary basis, out of areas with harsh natural conditions, he said.

The governor also spelled out the following major tasks for this year:

- Deepening reforms in order to speed up the establishment of a socialist market economic structure;
- Stabilizing grain production and expanding the rural economy;
- Improving economic returns in industrial production;
- Accelerating infrastructure construction; and
- Opening Fujian still wider to the outside world.

"In introducing overseas funds, we should focus on the construction of harbors, power plants, airports, expressways, the expansion of basic industries and the farming sector and the upgrading of existing enterprises," he said.

He promised to formulate flexible policies for overseas companies investing in these sectors.

He also called for efforts to use more overseas funds in the financial, retail and tourism sectors.

Fujian, on China's east coast facing the Taiwan Straits, should do all it can to increase its economic and trade exchanges with Taiwan, the governor said.

Jia Qinglin on Fujian's Construction Plans

*OW1104092994 Beijing XINHUA in English 0836
GMT 11 Apr 94*

[Text] Fuzhou, April 11 (XINHUA)—East China's Fujian Province is giving priority to capital construction in such areas as transportation, communications and energy, according to the province's top official.

This year, the province is to put 27.5 billion yuan in infrastructures, up 17 percent over 1993. Provincial Governor Jia Qinglin has told the ongoing meeting of the province's annual people's congress.

Of the 30 large and medium-sized projects on the drawing board, 21 are in the fields of transportation and electrical power.

They include an international airport in Fuzhou, capital of the province, ports in Fuzhou, Xiamen and Zhangzhou, and two railways.

Construction on several power stations will be resumed. And two stations, Mianhuatan and Muyangxi, with a generating capacity of over one million kilowatts, are to be launched this year.

In communications, 800,000 lines of exchanges will be opened. And the long-distance telecommunications project in Fuzhou is to enjoy priority of development.

Jia noted that apart from the existing ways of raising funds, the province will strive for loans from the World Bank, the Asian Development Bank and big-name international conglomerates.

Fuzhou Increases Protection of Foreign Firms
HK0804152494 Beijing ZHONGGUO XINWEN SHE
in English 1147 GMT 8 Apr 94

[Text] Fuzhou, April 8 (CNS)—The Fuzhou authorities will harshly punish persons found guilty of violation of property owned by foreign-invested enterprises and of the personal safety of investors or of posing hazards to the normal production of foreign-funded enterprises.

The Fuzhou police recently decided to further boost the administration of public order for foreign-invested enterprises here in a bid to safeguard the normal running of these enterprises as well as the legitimate rights and interests of investors.

There are now some 3 000 foreign-funded enterprises approved for operation here and public security for these enterprises and their running was generally stable. Incidents in breach of the legitimate rights and interests of foreign-funded enterprises, however, such as thefts committed by workers in a handful of foreign-funded enterprises, disruption of enterprises by outsiders, blackmail and extortion as well as fighting are not something new. Adverse effects on these enterprises are therefore the result.

The Fuzhou bureau of public security set up a special leading team responsible for public order for foreign-invested enterprises. The team will keep an watchful eye on public security for these enterprises while at the same time working out policies, carrying out inspections and supervision as well as studying the main security problems related to foreign-invested businesses. The bureau has asked the police at various levels to carry out their duty of protecting foreign-funded enterprises. Great attention must be given by the local police regarding various kinds of criminal offences reported by these enterprises and a rapid response and settlement of the problem must be made.

In a similar development, Vice Mayor Mr. Gong Xiong has asked the judicial department to actively deal with economic disputes related to foreign-invested enterprises in accordance with the law.

Xiamen People's Congress Set To Pass First Law
HK1104023094 Hong Kong SOUTH CHINA
MORNING POST in English 11 Apr 94 p 8

[By Daniel Kwan]

[Text] The Xiamen People's Congress may pass its first piece of legislation as early as next month, the head of the legislature, Li Xiuji, said yesterday. He said the congress, which was given its own legislative power by the National People's Congress last month, would promulgate a procedural law governing the lawmaking process when its standing committee met next month. It will be followed by a law on how to implement China's first

Taiwanese investment protection law. Mr Li said he was hopeful this second piece of legislation might be ready in the first half of this year.

But the long-term aim is to set up a legal framework that matches the needs of a "socialist market economy" by 1997 in Xiamen, which is the closest mainland city to Taiwan. According to Mr Li, who is also Xiamen's Deputy Communist Party Secretary, the congress will at this stage focus on three types of legislation. These are: protection of Taiwanese interests, bringing the legal system up to par with other countries, and urban planning, management and public order. A meeting had already been held between the congress and Taiwanese investors in Xiamen to solicit their opinions, Mr Li said.

Although Xiamen now has its own power to legislate, Mr Li said the Special Economic Zone would not become independent from the rest of Fujian. Instead, he said, the power would provide other Fujian cities with a "very valuable experience". Being able to legislate, Mr Li said, was important to enable Xiamen to become the third free-trade port in China. The congress will try to upgrade some of its existing regulations in order to speed up the process.

Jiangsu Province Procedures for Trade Union Law
OW1104132894 Nanjing XINHUA RIBAO in Chinese
5 Mar 94 p 5

[*"Jiangsu Province's Procedures for Implementing the PRC Trade Union Law"—adopted by the Sixth Session of the Eighth Jiangsu Provincial People's Congress Standing Committee on 22 February 1994"*]

[Text] Article 1. These procedures are drawn up for implementing the "PRC Trade Union Law" (simply referred to as "Trade Union Law" hereafter) in accordance with Jiangsu's actual situation.

Article 2. When an enterprise, institution, or organ within Jiangsu's administrative area is able to set up trade unions but has yet to do so, a higher-level trade union may send its personnel to the unit to guide and supervise it in establishing its trade union.

Article 3. Trade unions shall mobilize and organize workers to support and take part in reforms as masters of their own houses, and educate workers to correctly handle the interests between themselves and those of the state and collectives, and work hard to accomplish their production and other assignments.

Trade unions shall safeguard workers' legitimate rights and interests, reflect their views and requests, and serve them warmly.

Trade unions shall strengthen their own construction by establishing or improving management, heightening their staff's political awareness and educational and professional level, and operating according to law.

Article 4. Local trade union councils, industrial trade unions, and grass-roots trade unions with more than 25 female workers shall set up female workers' committees; and grass-roots trade unions with less than 25 female workers shall have female committee members.

Article 5. When enterprises, institutions, or organs having trade unions cease to operate, the trade unions there shall also cease to operate accordingly; and the cessation shall be reported to the higher trade unions for the record. Other organizations or individuals may not close their trade unions at will, nor can they close or merge trade union offices, or place them under other departments.

Article 6. When a grass-roots trade union has a legal person's qualifications prescribed in civil laws, it possesses the credentials of a legal mass organization after the credentials have been acknowledged by a trade union council of a higher level; and its chairman shall be the legal representative.

Article 7. Trade union chairmen and vice chairmen are elected democratically in accordance with the "Constitution of Chinese Trade Unions." They shall serve specific terms of office and can be reelected. During their terms of office, they are entitled to treatment prescribed in relevant regulations of the state and the province.

When trade union chairmen and vice chairmen have to be transferred, discharged, or retired before their terms of office expire, the transference, discharge, or retirement shall have the prior agreement from their trade unions and trade unions of a higher level.

Article 8. Trade unions may sign collective contracts and collective insurance contracts [gong bao he tong 0364 0202 0678 0681] with administrative departments of enterprises and institutions on behalf of workers; assist and guide workers in signing labor contracts with administrative departments of enterprises and institutions; and supervise the execution of the contracts.

In case disputes arise between a trade union and workers on the one hand and the unit's administrative department on the other while fulfilling a collective contract, a collective insurance contract, or a labor contract, the disputes shall be handled according to state regulations for settling labor disputes.

Article 9. When an enterprise or institute decides to discharge or discipline any workers, it shall provide the trade union with a list of the workers' names and the reasons of the disciplinary actions, and listen to the trade union's views. In case the unit's administrative department has violated the law, regulations, or any relevant contract, the trade union is entitled to present its views and the unit's administrative department shall restudy the case and handle it according to law.

Article 10. When workers of the trade union of an enterprise or institution are unjustly treated while performing their duties or safeguarding workers' legitimate

rights and interests, authorities in charge and the trade union of a higher level shall consult with the unit and resolve the problem according to law.

Article 11. In case an enterprise or institution infringes upon workers' legitimate rights and interests, or upon female workers' special rights and interests, in violation of the labor law or other relevant regulations, and refuses to mend its ways seriously, the trade union shall urge the government or other relevant departments to order the unit to make corrections. And if the case is serious, relevant departments and units shall discharge their responsibilities and authority and discipline or punish the unit's principal persons in charge or persons who are directly responsible for the infringement.

Article 12. In case an enterprise or institution acts lawlessly—such as restricting workers' personal freedoms, searching their bodies, withholding their identity cards, as well humiliating them, giving them physical punishment, or beating them—its trade union shall stop it and demand correction; and if the case is serious, the trade union may support workers to bring the case to the people's court.

Article 13. Trade unions exercise supervision over enterprises and institutions to make sure that they observe the state rules governing work hours and holidays. When workers' work hours have to be extended because of special circumstances or urgent assignments, the units' administrative departments shall solicit trade unions' views in advance, and trade unions shall make sure that workers' labor services shall be compensated accordingly. When an enterprise forces its workers to work longer hours against their wishes in disregard of their physical health and legitimate reasons, the trade union shall present its views and settle the issue with the enterprise through consultations. If consultations fail, the trade union may request arbitration by the Labor Disputes Arbitration Committee.

Article 14. Acting on the basis of law, trade unions shall inspect the working conditions and the safety and sanitation facilities of enterprises and institutions; and take part in the examination of and supervision over the working conditions and safety and sanitation facilities of new and expanded enterprises, as well as enterprises engaging in upgrading their technology. Enterprises, institutions, and their competent departments shall seriously seek trade unions' views.

Article 15. Trade unions shall take part in investigating injuries and fatal accidents occurring in enterprises and institutions, as well as problems seriously affecting workers' safety and health. The administrative departments and relevant personnel of these enterprises and institutions shall furnish trade unions with facts. Trade unions have the right to demand relevant authorities to seriously handle those who are directly responsible for the accidents.

Article 16. The office of the committee for mediating labor disputes in an enterprise shall be established at the

enterprise's trade union, and it is subjected to the professional guidance from a higher-level trade union and committee for arbitrating labor disputes. The representative of the trade union shall serve as the chairman of the committee.

Article 17. County and higher-level local trade unions may set up legal consultative and service organs to provide services of safeguarding the legitimate rights and interests of workers and trade unions.

Article 18. Trade unions shall assist relevant government departments in making sure that enterprises and institutions follow state regulations and contribute their shares for workers' old-age pension, medical services, housing, work-related injuries, unemployment, and other social insurance services.

Article 19. County and higher-level local people's governments and corresponding trade unions, as well as government departments and corresponding industrial trade unions, shall establish a liaison system. Each year they shall take appropriate steps to publicize major plans of the government and departments as well as administrative measures relevant to trade unions, and study ways to handle views and requests which workers have presented through trade unions.

Article 20. State enterprises and institutions, state-funded companies, and limited-liability companies established by two or more state enterprises or by two or more state investors shall establish or improve their workers' congresses or workers' congress systems. Trade union committees are working organs of workers' congresses or workers' assemblies. These congresses or assemblies shall meet at least once every six months. Ad hoc meetings shall be held whenever there are major issues to discuss.

Article 21. Trade union committees of collectively owned enterprises and institutions are working organs of workers' congresses or workers' general meetings, and they shall organize workers to take part in democratic management and supervision, and safeguard workers' legal democratic rights.

Article 22. Enterprises and institutions shall support the workers' congresses or workers' general meetings in exercising their functions and powers. On administrative affairs, when a dispute over the exercising of functions and powers by workers' congresses arises between a trade union and an enterprise or institution, a competent department, a trade union of a higher level and an enterprise or institution of a higher level shall be asked to coordinate in resolving the problem.

Article 23. When a state-owned enterprise sets up a management committee, the committee shall include representatives from a trade union and a female workers' committee.

The membership of the board of directors of a wholly state-owned corporation and a limited liability corporation set up through the investment of more than two state-owned enterprises or more than two state-owned investment agencies shall include workers' representatives elected in a democratic way under the organization of a trade union.

Article 24. Before deciding to resolve problems involving workers' vital interests, such as the one involving wages, welfare, safety in production, labor protection, and labor insurance, an enterprise or an institution shall seek the opinion of their trade union and workers. Trade union representatives shall participate as nonvoters in relevant meetings to reflect workers' opinions and proposals.

Before making decision on major issues of production and management and formulating important rules and regulations, an enterprise or an institution shall seek the opinion and proposals of its trade union and workers.

Article 25. The trade unions and the administrations of foreign-invested enterprises and private enterprises shall establish a system of consultation and negotiation; introduce democratic participation; and according to law represent and safeguard the political rights and material interests of workers, safeguard national interests, respect the legitimate rights and interests of investors, and promote the development of these enterprises.

To reflect workers' opinions and demands, the chairmen of the trade unions of Chinese-foreign joint ventures and Chinese-foreign cooperative enterprises shall attend as nonvoters meetings of the board of directors or the joint management organs' meetings to discuss enterprise development plans, production and management activities, and other major matters.

The chairmen of trade unions of private enterprises and foreign-funded enterprises shall participate as nonvoters in the meetings of the enterprises held to study and decide issues concerning penalties and awards for workers, the wage system, welfare benefits, labor protection, and insurance for workers. The enterprises shall listen to the opinions of the trade unions and seek their cooperation.

Article 26. The supervisory boards of limited liability companies and limited shareholding companies shall have an appropriate proportion of worker representatives; those companies that do not have supervisory boards shall have worker representatives as supervisors; the worker representatives shall be elected in a democratic way under the organization of trade unions.

The worker representatives who serve as supervisors shall participate in the meetings of the board of directors as observers.

Article 27. Where the property of a bankrupt or dissolved enterprise has to be used in paying its debts, the

trade union of a higher level shall supervise, according to law, its payment of workers' wages and labor insurance expenses.

Article 28. Trade unions shall assist the government, relevant departments, enterprises, and institutions in managing the selection and commendation of labor models and advanced producers and workers.

Article 29. Trade unions shall assist and supervise enterprises, institutions, and executive authorities in managing workers' collective welfare services; in doing their jobs well in areas relevant to wages, labor protection, and labor insurance; and in rationally using the funds for welfare services and cash awards.

Article 30. Enterprises, institutions, and organs with trade unions shall allocate budgets to these trade unions at regular intervals. The allocation shall be 2 percent of the total monthly payroll. The total amount of the payroll shall be assessed according to regulations prescribed by the State Statistics Bureau.

In case an enterprise, institution, or organ fails to allocate a budget to its trade union according to regulations even though it has been pressed for payment, a county or a higher-level trade union council may act according to relevant state regulations and notify the unit's bank to withhold the payment.

Article 31. According to their financial capability, local people's governments, relevant departments, enterprises, and institutions shall give trade unions of corresponding levels a specific amount of subsidy each year.

Article 32. No organizations or individuals may seize, misappropriate, or willfully transfer trade unions' assets, budgets, or fixed assets which the state has allocated to trade unions for their expenses; as well as assets which trade unions of the enterprises or institutions use for workers' services.

Article 33. Trade unions shall earnestly follow a system of auditing their budgets and final accounts; and they shall use their budgets properly according to relevant regulations.

Article 34. Trade unions have the right to file charges with competent authorities or relevant government departments against those who violate these regulations and who indulge in any one of the following behaviors. Competent authorities or relevant government departments shall criticize and educate those who are directly responsible and order them to mend their ways; and if the cases are serious, they shall also discipline or punish them and notify the trade unions of the outcome.

- (1) Those who stop workers from organizing or joining trade unions according to the "Trade Union Law";
- (2) Those who willfully close, merge, or dissolve trade unions;
- (3) Those who willfully dismiss, appoint, or transfer trade union chairmen or vice chairmen;

- (4) Those who restrict trade unions from exercising their legal rights, or who retaliate against trade union workers who discharge their responsibilities according to law;
- (5) Those who seize trade union assets, or misappropriate and seize trade union budgets; or
- (6) Others who violate the relevant regulations of these procedures.

Judicial authorities shall investigate the criminal responsibilities of those whose conduct of violating these procedures constitute a crime.

Article 35. Trade union workers who have violated the relevant regulations in these procedures, neglected their duties, sought selfish interests, committed graft, misappropriated trade union funds, or seized trade union property shall be criticized, educated, or disciplined if the cases are not serious; but shall have their criminal responsibilities investigated by judicial authorities if the acts constitute a crime.

Article 36. Organizations established not in accordance with regulations prescribed in the "Trade Union Law" and the "Constitution of Chinese Trade Union" cannot be called trade unions and are not entitled to trade union rights prescribed in these procedures.

Article 37. These procedures become effective upon promulgation.

Jiangxi Uses Overseas Funds for Economic Recovery

*OW0904144494 Beijing XINHUA in English 1425
GMT 9 Apr 94*

[Text] Nanchang, April 9 (XINHUA)—East China's Jiangxi Province is undergoing a profound economic change in the wake of two major state development projects.

Located at the junction of the Chang Jiang River and the Beijing-Kowloon railway, both of which are under development, Jiangxi has successfully absorbed overseas capital to fund its economic take-off.

The province has used foreign funds to the tune of 838 million U.S. dollars since 1984. Of the sum, direct business investment has exceeded the loans from governments of foreign countries.

Before 1991, however, foreign investment in most joint ventures was less than 300,000 U.S. dollars each. Most jobs were labor-intensive at that time.

By last year, there were 59 such firms each with an investment exceeding five million U.S. dollars. More firms were in technology-intensive and export-oriented industries.

The investment structure has also become diversified to embrace transportation, energy, raw materials and other areas of infrastructure.

The joint ventures have also created jobs. More than 30,000 people were employed in newly-opened factories last year.

The introduction of new technology and management skills have upgraded local industries.

This year the province is determined to reform its financial, monetary, and foreign trade enterprises and offer more desirable terms to foreign businessmen. It is also trying to obtain loans from governments of foreign countries and international financial organizations.

Jiangxi Launches Drive To Sow Quality Seeds

OW1004061994 Beijing XINHUA in English 0538
GMT 10 Apr 94

[Text] Nanchang, April 10 (XINHUA)—East China's Jiangxi Province is launching a drive to sow quality seeds in the current spring farming season.

Several million farmers are joining forces in the selecting, cultivating, testing and promoting of quality crop seeds and animal stock.

Jiangxi hopes to lift its agriculture to a new level by doing so. Last year more than 90 percent of its major crops such as soy beans, peanuts and cotton used quality seeds.

The use of quality stock has also been promoted in raising pigs, cattle, sheep and aquatic products.

Governments at all levels have offered financial and technological support for the cultivation of quality seeds and stock and the construction of such centers.

Jiangxi has also set up organizations to make sure that no inferior seeds or stock can find their way onto the market.

Shandong Formally Sets Up Jining Customhouse

SK1204075194 Jinan DAZHONG RIBAO in Chinese
31 Mar 94 p 1

[Text] Set up with the approval of the State Council, Jining customhouse, was formally opened on 30 March. Jining city, Zaozhuang city, and Heze Prefecture are under its management. Following Weifang, Zibo, and Jinan, this is the fourth inland customhouse in our province as well as one farthest from the coastal areas of Shandong Province.

Shanghai's Population Decrease Leads Major Cities

OW1104173394 Beijing XINHUA in English 1554
GMT 11 Apr 94

[Text] Shanghai, April 11 (XINHUA)—Shanghai's population decreased by 10,015 last year, taking the lead among major Chinese cities of a population decrease.

Natural population growth rate was minus 0.78 per thousand in 1993 as a total of 84,000 babies were born and 94,000 deaths were reported in Shanghai, China's most populous city.

Statistics from the Shanghai Municipal Family Planning Committee and the Shanghai Public Security Bureau show that population growth rate in all 20 counties and districts of the city all dropped greatly.

Officials in charge of the family planning committee attribute that to the family planning work during the past 40 years and progress achieved in the city's social, economic and cultural fields.

Shanghai's population (the number of people with permanent residence permits) topped 13 million by 1992.

In the 1950s, annual natural population growth rate reached 32 per thousand. There was virtually no family planning at that time.

Experts say that the natural population growth rate in Shanghai is expected to witness a continuous decrease in the coming few years as existing policy on family planning will continue and elderly people now make up 16 percent of the overall population.

An official from the Shanghai family planning committee said that a shrinking population is not the target of the family planning policy. Instead, a proper population suiting the social and economic development of Shanghai will be the final destination.

However, officials said existing policy on family planning will continue, as birth control pressure is still heavy. Prevention of unexpected pregnancies and health education to care for women's health will be stressed.

Recent surveys show that migrant laborers from other parts of China to Shanghai often do not carry out the family planning policy as required. The birth control policy still does not mean much to some unemployed people, among others.

In addition, officials said that many women of child-bearing age lack enough knowledge and ability on how to prevent unplanned pregnancy.

Shanghai Surrounded by 'Rich Rural Villages'

OW1104025694 Beijing XINHUA in English 0222
GMT 11 Apr 94

[Text] Shanghai, April 11 (XINHUA)—A host of new four-story houses, mostly in unique architectural styles, have cropped up on the outskirts of Shanghai. Some are even equipped with garages and elevators.

Shanghai, the fastest-growing city in China, has become surrounded by a batch of rich rural villages.

Statistics show that more than 740 villages, a quarter of city's total, registered over one million yuan each in

profits last year. The villagers grossed an average of 5,300 yuan each in annual income, five-fold the national average.

The income of four million farmers in Shanghai has topped the list in the country for 13 years running, with the average per capita income reaching 2,650 yuan in 1993, compared with the national average of 921 yuan.

Thanks to brisk local markets and advantages in personnel and technology, the booming township enterprises in the region have become jackpots for rural residents. Last year they achieved an output value of over 70 billion yuan, more than 70 percent of the total industrial and agricultural output value in the region.

Qizhong village, which tops the list of rich communities, achieved an output value of one billion yuan, and profits and taxes of 300 million yuan in 1993.

Most of the farmers put house-building on top of their agenda, spending from 100,000 yuan to one million yuan.

At present, the average per capita living space has exceeded 40 sq m [square meters] in rural Shanghai.

The new generation of farmers also invests in cultural pursuits like travel.

Zhou Yingjian, a farmer and head of a small auto repair workshop in Hongqiao town, earned 300,000 yuan last year.

"My family belongs to the middle class in the village," he said.

According to Shanghai's growth plan, the sales volume of township enterprises is expected to reach 100 billion yuan this year, up 20 billion yuan over 1993.

It will also plant 35 percent of its 600,000 ha [hectare] of land with crops for export crops.

'Privately Owned Economy' in Zhejiang Develops

HK1004041294 Beijing ZHONGGUO XINWEN SHE in English 0600 GMT 9 Apr 94

[Text] Beijing, April 9 (CNS)—The individually-owned and privately-owned economy in Zhejiang Province has seen rapid development since last year with such enterprises paying tax to the state of RMB 2.23 billion last year, 39.5 percent more than the year before, making them an important economic strength in the province.

By the end of last year, more than 1.23 million individually-owned business households employing over 1.97 million workers had registered in the province, increases of ten percent and 13 percent respectively over the year before. Privately-owned enterprises numbered 19,400 households comprising 255,000 persons, 68 percent and 67 percent up respectively over the year before. Individually-owned business households in the province had registered capital of RMB 8.067 billion by the end of last

year and 641 privately-owned enterprises each had registered capital of more than RMB 1 million. Five hundred and sixty-six of them increased their capital last year. Some 877 privately-owned enterprises each had an annual output value of over RMB 1 million and 77 of them had over RMB 10 million each.

There are now five enterprise groups in the province made up of privately-owned enterprises. Some 639 individually-owned and privately-owned enterprises had exports last year with a value of RMB 500 million, more than doubling that of the year before. Some 179 enterprises of this kind are cooperating with foreigners, introducing foreign capital of US\$110 million and nine privately-owned enterprises in the province have investment abroad.

Hangzhou Launches Road Construction Projects

OW1004055994 Beijing XINHUA in English 0513 GMT 10 Apr 94

[Text] Hangzhou, April 10 (XINHUA)—Hangzhou, the capital of east China's Zhejiang Province and a major site of scenic beauty, has recently launched a massive campaign to improve its road networks.

The ten projects on the drawing board or under construction include a third bridge over the Qiantang River, an expressway around the city, two highway passenger stations, the expansion of the road to Xinanjiang city, the expressway to Shanghai and Ningbo, and the dredging of the grand canal.

Though the city's economy has been growing rapidly, city officials said, the ancient city's antiquated traffic networks had been imposing an adverse effect on the development of its tourism and other economic sectors.

This explains why the traffic sector has 10 of the 17 major projects on the city government's top agenda from 1993 to the year 2000.

The officials said the 2.3 billion yuan fund for these projects would be raised by many means besides government investment.

For example, they said, the expressway around the city would be built using three million U.S. dollars and four million yuan from a Hong Kong company.

By leasing a piece of land to overseas banking groups, the city acquired 225 million yuan for the building of the Qiantang Bridge.

According to the officials, four of the projects, including the bridge, the highway to Xinanjiang and others, will be built and managed by independent commercial companies.

Most of these projects are now under way, and the rest will begin soon, the officials added.

Central-South Region

Guangdong Governor on Importance of Rural Work

HK1204012194 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 1 Apr 94

[Text] The provincial party committee and provincial government yesterday afternoon held a provincial telephone meeting on rural work. The meeting was presided over by Governor Zhu Senlin. Vice Governor Ou Guangyuan briefed the participants on the guidelines laid by the national meeting on rural work, and gave some opinions on the actual circumstances of the province.

Ou Guangyuan said: Party and government cadres at all levels must treat agriculture, especially grain production, as a major task that must be accomplished to stabilize society and the country. He stressed that this year's task of growing grain over 49 million mu of land must be completed. This is mandatory, he said. If the early rice-growing quota is not fulfilled, then the deficiency must be made up by growing more late rice. He pointed out that how well the grain-growing task is completed must be taken as a principal criterion for the assessment of the performance of leading people at all levels.

Ou Guangyuan said: While completing the grain-growing task, we are to apply the method of subsidizing agriculture with profits earned from industry to increasing grain growers' income.

Addressing the meeting, Governor Zhu Senlin stressed that it is necessary for people to be fully aware that grain production is an important factor to ensure social stability. Grain and food supply is an important matter in our efforts to keep commodity prices stable. All local authorities must persistently implement the system by which designated officials assume responsibility for production, supply, marketing, and storage of grain, as well as the relevant performance assessment system. Since grain production promises low economic returns, one cannot totally rely on market regulation with regard to grain trade, instead, one must strengthen macroeconomic regulation by administrative and economic means.

Zhu Senlin said: In order to implement all the measures for increasing grain output and returns, all kinds of services must be introduced in good time, thus ensuring that peasants' income will increase. We can no longer tolerate cases such as those in which grain growers' income remains constant or even decreases despite increase in grain output.

Shenzhen Ranks Fifth in Economic Strength

OW1004061894 Beijing XINHUA in English 0542
GMT 10 Apr 94

[Text] Shenzhen, April 10 (XINHUA)—Statistics show that Shenzhen city, one of China's special economic

zones in Guangdong Province, ranks fifth in economic strength among China's 24 large and medium-sized cities.

Figures recently released by the city government show that the major economic indicators of Shenzhen in 1993 were only behind Shanghai, Beijing, Guangzhou and Tianjin.

The city's export volume last year reached 8.335 billion U.S. dollars, 950 million and 5.08 million more than Shanghai and Guangzhou.

And the city made use of 1.432 billion U.S. dollars in foreign funds last year.

The city's total investment in fixed assets, second only to Shanghai, was 10 to 20 percentage points higher than the Beijing, Guangzhou and Tianjin figures.

In addition, the city's financial revenue last year reached 6.725 billion yuan and the volume of urban residents' savings deposits reached more than 17.5 billion yuan.

Shantou SEZ Develops Export Labor Service

OW1004045594 Beijing XINHUA in English 0252
GMT 10 Apr 94

[Text] Shantou, April 10 (XINHUA)—Shantou city, one of China's special economic zones [SEZ] in Guangdong Province, has made efforts to develop its export of labor services.

Now the city has formed labor export relations with a dozen countries and regions, and every year the city sends about 1,000 people to work abroad.

Most of the workers will be engaged in housing construction, machine operation, clothes-making, crop-raising and livestock farming.

In 1980 when the Shantou Overseas Labor Service Company started its labor export service, its business was limited to countries and regions in southeast and central Asia.

Now its business has expanded to some countries in Europe, America and Africa.

Experts noted that the people of Shantou have a tradition of working abroad. With the rise of Shantou's fame in labor exports, more and more people from Shantou will participate in the labor export service.

Last year a team of construction workers was hired by a Spanish company to undertake an express highway construction project in Libya.

Now they have completed the project and have been employed by the company to continue a supplementary project.

Guangzhou Blueprint for Environmental Problems

*OW1204030894 Beijing XINHUA in English 0247
GMT 12 Apr 94*

[Text] Guangzhou, April 12 (XINHUA)—Guangzhou, capital of southern China's fast-booming Guangdong Province, has made an environmental protection blueprint, aiming to turn the city into a clean and tidy international metropolis in 15 years.

Its industrial structure and regional distribution of industries will be readjusted. Enterprises in the urban areas that cause environmental pollution and bother local residents will be relocated to the south-east of the city.

New development zones and new industrial projects can not be started unless approved in accordance to the environmental appraisal system.

The 15-year blueprint also rules that new and advanced technology and equipment should be used to avoid air pollution. Industrial sectors with high economic returns and lower pollution will be granted priority.

A group of infrastructure facilities to treat existing pollution in water, air, refuse and noise will be constructed, according to the plan, which was recently adopted by the municipal government.

Some 12 large ventures that bring severe water pollution will be renovated and a series of sewage water treatment plants will be constructed. Smog and other forms of air pollution will be put under control. Solid garbage treatment plants and garbage-burning electric power plants will be built.

By 2005, air and water pollution will be effectively curbed and the recycling rate of solid waste will reach 80 percent. Green-coverage will top 45 percent by then. Noise pollution in urban areas will be reduced, according to the plan.

A major city in the Pearl River Delta, with urban population topping 3.73 million, Guangzhou has witnessed a rapid growth in its economy in the past few years. Last year, the city achieved a total industrial output value of 92.679 billion yuan, up 30.44 percent compared with the previous year.

However, environmental problems have also become increasingly serious. Air pollution due to the burning of coal and exhaust emissions worsened. River water is widely contaminated with organic substances, and solid waste has increased rapidly, local officials said.

Home of Guangdong's Security Chief 'Ransacked'

HK1204083294 Hong Kong CHENG MING in Chinese No 196, 1 Apr 94 p 26

[“Reference news” column by Chung Jen (5883 0088): “The Guangdong Province Public Security Chief’s House Ransacked by ‘Thieves’”]

[Text] The home of Chen Shaoji, chief of the Guangdong Province Public Security Department, was ransacked by “thieves” who are believed to have come from within. One day in early March, Chen Shaoji attended a provincial party committee meeting, all of his family members went to visit friends in Foshan City, and his domestic helper had returned to Xinhui on vacation. It was reported that this happened at about 1800 and involved two or more suspects. All of the electrical appliances were damaged, clothes were smeared with paint, and a message was left, reading: We visited your excellency’s house to check your property; we will announce the results soon. Reports said that bank books showing deposits of 35,000 yuan and gold ornaments were stolen.

Security Chief Responds to Rumor

HK1204111094 Hong Kong TA KUNG PAO in Chinese 6 Apr 94 p 2

[“Special report”: “Guangdong Provincial Public Security Chief Refutes Rumor About Thieves Ransacking His House”]

[Text] Guangzhou, 5 Apr (TA KUNG PAO)—During an interview with a TA KUNG PAO reporter today, Guangdong Provincial Public Security Chief Chen Shaoji and Deputy Chief Wu Zeyao denied a recent report in Hong Kong’s CHENG MING magazine entitled: “Guangdong Provincial Public Security Chief’s House Ransacked By Thieves.”

The “Reference News” column report in the April issue of CHENG MING said: “The house of Chen Shaoji, chief of the Guangdong Provincial Public Security Department, was ransacked by ‘thieves’ believed to have come from within.” The report continued: “One day in early March, Chen Shaoji attended a provincial party committee meeting, all his family members went to visit friends in Foshan City, and his domestic helper returned to Xinhui on vacation. It was reported that this happened at about 1800 and involved two or more suspects. All of the electrical appliances in the house were damaged, clothes were smeared with paint, and a message was left, which read: We visited your excellency’s house to check your property; we will announce the results soon. Reports said that bank books showing deposits of 35,000 yuan and gold ornaments were stolen.”

Chen Shaoji pointed out: The report described the date, people’s whereabouts, and the way the ransacking was performed in such a detailed manner that “they seemed to be true” but, as a matter of fact, my house and the houses of other leaders of the provincial Public Security Department have remained safe so far and no burglary has ever occurred. Since the report was published, my family members and I have received many telephone inquiries every day which have been quite disruptive.

Deputy Public Security Chief Wu Zeyao said: The provincial Public Security Department feels it necessary to clarify some Hong Kong press reports which have distorted facts concerning Guangdong’s public security.

The "thieves from within" mentioned by the report refer to public security personnel. This is groundless and means to say that "internal conflicts" have occurred in public security departments. The report on a burglary in the Guangdong Provincial Public Security "commander's" house located in the Public Security Department's compound tried to indicate that Guangdong's social order had deteriorated to an unredeemable degree. In addition, the report also used some words which caused much food for thought, such as "announcing the results soon" and so on, to make a false impression that there was uncleanliness within the leadership. Wu Zeyao said that the report was short and comprised only a little over 100 characters. However, it was meticulously composed and targeted at the public security chief and has ruined the image of Guangdong Public Security Departments. Wu Zeyao said that a lawsuit would be filed against the report if necessary.

To further clarify this case, a reporter went to Chen Shaoji's house accompanied by Chen Shaoji's wife and others. Chen Shaoji lives on the top floor of an old seven-story building within the Public Security Department's compound. The building is not equipped with an elevator. The interior of the room is simply decorated. There were no indications that the electrical appliances and furniture had been damaged and the domestic helper was a girl from Guangxi (not from Xinhui, as the report mentioned) who has been in Guangzhou for not more than six months.

Guangdong Peasants 'Riot' Over Land Compensation

HK1204012394 Hong Kong MING PAO in Chinese 11 Apr 94 p A2

[Text] Riots occurred in Zengcheng village, Guangdong when close to 3,000 villagers took to the streets and blocked roads for two days to protest the government's uncompensated land acquisition. The local government sent anti-riot policemen to put down the demonstration. Four villagers were arrested and some villagers were reportedly hurt, although no accurate figures are available. This was the second riot in Guangdong in the last 10 days sparked by the problem of land acquisition. A similar incident occurred early this month in Huiyang County.

The riot occurred in Gongbei village, Shitan town, Zengcheng City. At around 1000, about 3,000 villagers surrounded the city government building, marching and protesting with banners on which were scrawled messages about dying of hunger if they got no compensation for their land.

Other villagers, holding hoes, held up the traffic and blocked the road from Shitan to Xintang and Zengcheng county seat, denying entry to public security vehicles. There was a standoff and tension ran high.

At around 1400, hundreds of anti-riot policemen arrived at the scene and fired a dozen tear gas canisters to

disperse the crowd, and later arrested a few villagers. Local villagers said that when the anti-riot force fired the tear gas, the situation was very chaotic. Many villagers were beaten up by public security personnel, and some were wounded. As of yesterday evening, an accurate count of the wounded was unavailable.

Yesterday there were still a few villagers tacking up posters on the street, but the city had quieted down. The authorities began an investigation into the village riot a few days ago, but would not confirm whether official corruption was involved, only telling reporters that the matter was under investigation.

Local villagers said that, about six months ago, the village government sold land of about 500 mu to a Hong Kong businessman for property development for 10 million yuan. It is understood that the village government had collected the money, but villagers had never received any government compensation. In the last six months, villagers had repeatedly demanded the land sale proceeds from the village government, but to no avail. The villagers charged the government officials of corruption.

Early this month in Huiyang, there was a similar village riot sparked by the villagers' suspicion of their land sale money being pocketed. About 600 villagers of Bogang village, Xiayong town, Huiyang County besieged and vandalized the town public security neighborhood unit. A villager was shot in the thigh by public security personnel and seven were arrested during the incident.

Guangxi Secretary Addresses Rural Work Conference

HK1104001494 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 1 Apr 94

[Excerpts] On 31 March the regional party committee held a regional rural work teleconference, and regional people's government Chairman Cheng Kejie relayed the spirit of the important remarks made by CPC Central Committee and State Council leaders at a recently concluded central rural work conference.

Regional party committee Secretary Zhao Fulin also delivered a speech in which he spelled out the region's rural work tasks in 1994 in accordance with the spirit of the recent central rural work conference.

The teleconference was presided over by Cheng Kejie and participants included regional party committee, government, people's congress standing committee, and Chinese People's Political Consultative Conference committee leaders; prefectural, city, and county party and government leaders; Nanning-based central unit leaders; and persons in charge of various organs directly under the regional authorities.

Secretary Zhao Fulin's important speech at the teleconference was divided into the following five parts:

1. Profoundly view agriculture as the foundation of the country's national economy and make energetic efforts to promote agricultural growth. [passage omitted]
2. Adopt practical measures aimed at securing steady grain production; provide agricultural production with all types of assistance, improved services, and sufficient supplies of capital, water, electric power, chemical fertilizer, farm chemicals, gasoline, farm machinery, and so on; implement to the letter all policy measures aimed at boosting grain production; and make continued efforts to successfully build commodity grain production bases. [passage omitted]
3. Vigorously readjust agricultural structure and increase the income of peasants. [passage omitted]
4. Make continued efforts to successfully build vegetable production bases and increase the effective supply of farm products. [passage omitted]
5. Further strengthen CPC leadership over agriculture and rural work. [passage omitted]

Secretary Zhao Fulin concluded his speech by saying: The principal party and government leaders at all levels in the region should, after this teleconference, go deep into the rural areas to carry out investigation and study. They should conscientiously give heed to opinions and demands put forth by cadres and masses at the grassroots level, acquire a clearer understanding of the situation in the rural areas where central and regional policies have been implemented, and clearly identify a series of major problems that have cropped up in the course of Guangxi's rural reform and development in order to work out feasible and effective measures. Furthermore, they should make pragmatic arrangements for this year's agriculture and rural work in light of the local realities and strive with one heart and one mind to push Guangxi's agriculture and rural work onto a new stage in 1994!

Guangxi Promoting Capital Construction

*OW1204072794 Beijing XINHUA in English 0654
GMT 12 Apr 94*

[Text] Nanning, April 12 (XINHUA)—The Guangxi Zhuang Autonomous Region in southeast China has made remarkable achievements in capital construction in such fields as energy supply, transportation, raw materials and posts and telecommunications.

Last year fixed-assets investment reached 27.2 billion yuan, up 93 percent over the previous year. Infrastructure received a record investment of 11 billion yuan, twice the amount for 1992. And more than 8,200 projects were launched.

The region has introduced flexible measures to speed up the construction of important projects. For instance, the first joint-stock venture in the field of electric power was set up last year to promote the construction of the Bailongtan Station, which cost over 100 million yuan.

By the end of 1993 a total of 34 priority projects were progressing smoothly, with over 20,000 long-distance

telephone lines and five fiber-optic telecommunications lines installed, and ports achieving an annual handling capacity of 2.7 million tons.

The region's construction industry has also seen remarkable progress. In 1993 it registered 5.03 billion yuan in output value, 78 percent more than in the previous year.

Meanwhile, the real estate market has been booming in the area. Last year it grossed 1.4 billion yuan in sales of commercial dwellings, making a profit of over 100 million yuan.

Meanwhile, the province has strengthened control over the industry, having already closed down about 380 substandard real estate companies.

So far, the region has 14 cities, with an urban population of 7.38 million. In 1993 it poured 2.8 billion yuan into urban construction, three times the figure for 1992.

Hubei Farmers Gain Support From 'Market Advisors'

*OW1204031394 Beijing XINHUA in English 0302
GMT 12 Apr 94*

[Text] Wuhan, April 12 (XINHUA)—Farmers in central China's Hubei Province find themselves liberated from worries and cares about what to grow or raise this spring—"market advisers" will tell them exactly what to concentrate on.

Local experts at planting and stock-raising or well-informed businessmen are now acting as farmers' market advisers, teaching them useful techniques and seeking marketing channels for their products.

A farmer named Xiong Zaifu lost more than 1,000 yuan by planting watermelons last year. At the beginning of this year he signed a contract with a consultant, who advised him to grow soybeans instead and guaranteed that he could market them.

Another farmer, Hu Xinan, earned 10,000 yuan last year by raising pigs, following the advice of his market adviser.

This year he signed another three-year contract with the same adviser, which clearly stipulates that the adviser must buy his pigs for a price already agreed upon by the two sides.

"So I need only see to the raising," Hu said in a cheerful tone.

"Market advisers" have also benefited from such cooperation, as one adviser explained, "farmers get marketing channels and we get an ample supply of goods."

Song Guiyi of Wangtan village, near Tianmen city, an expert at cotton growing, has organized an association of market advisers in her village to provide services for farmers.

According to a local official, although the output of aquatic products and fruits in Hubei increased hugely last year, marketing has run smoothly, thanks to the positive role played by the "market advisers" in invigorating circulation and guiding farmers to adjust their activities to market demands.

Human Secretary Comments on Study of Deng's Works

HK1104001094 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 31 Mar 94

[Text] The central study group of the provincial party committee devoted three days, from 29 to 31 March, to intensively studying Volume 3 of the *Selected Works of Deng Xiaoping* and the "Decision of the CPC Central Committee on Some Questions Concerning the Establishment of the Socialist Market Economy." In light of their own actual cases regarding ideological understanding and work, members of the study group talked freely. During the closing session, provincial party committee Secretary Wang Maolin delivered an important speech on theoretical study for leading cadres.

The provincial party committee central study group's main purpose in organizing this intensive study class was to enable its members to emancipate their minds, change their concepts, and to explore a general policy for Hunan Province to embrace the market economy. The provincial party committee demanded that members participating in the intensive study class concentrate on reading the original text of the works and documents, thoroughly study and understand the essence of Deng Xiaoping's theory on building socialism with Chinese characteristics, as well as the basic content and important significance of the central authorities' decision, and conduct research on special topics with reference to the reality in Hunan as well as the specific tasks assigned to them.

On the afternoon the study class closed, Comrade Wang Maolin delivered a speech. He said: Deng Xiaoping's theory on building socialism with Chinese characteristics is the important theoretical foundation on which to build socialism well, and the theoretical ground for our party to formulate its line, principles, and policies. Our comrades holding leading posts, especially those holding high-level leading posts, must properly implement the party's line, principles, and policies and do a good job in performing the duties that the party and the people have entrusted to them. Without studying Deng Xiaoping's theory on building socialism with Chinese characteristics well, they will not be able to perform their duties well, thus they will fail to accomplish the tasks the party and the people assign to them.

Wang Maolin demanded that everybody conscientiously read the original text of the *Selected Works of Deng Xiaoping*, in a thorough and down-to-earth manner, with close reference to actual cases, try to understand the works' spiritual essence, and apply the theory to actual work.

Members of the standing committee of the provincial party committee, the principal comrades in charge of the provincial people's congress and the Chinese People's Political Consultative Conference provincial committee, vice governors, and the secretary general of the provincial government attended this study class organized by the central study group of the provincial party committee.

Waterway in Hunan To Increase Traffic Capacity

OW0904012594 Beijing XINHUA in English 0052 GMT 9 Apr 94

[Text] Changsha, April 9 (XINHUA)—Traffic on the Xiangjiang River, a major waterway in central China's Hunan Province, will soon increase greatly, in size and number.

Official sources here said that preparations have started to make the 182 km section from Zhuzhou to Hengyang cities navigable in all seasons for ships under 1,000 tons.

This requires the building of a dam 62 km from Hengyang, the dredging of the 120-km river channel from the dam to Zhuzhou, the building of six berths in the two river ports, and auxiliary telecommunications and navigation facilities.

Feasibility studies to improve the water channel of the river, a major tributary of the Chang Jiang River, was started as early as 1986 by the State Council and the Hunan Provincial Government.

The approved feasibility report proposed that the 439 km section between Yueyang and Hengyang should be made navigable for vessels up to 1,000 tons, through an investment of two billion yuan.

The first phase of the work was finished some while ago, resulting in the passage capacity being raised from 300 tons to 1,000 tons on the 257 km section from Yueyang to Zhuzhou.

The authorities believe that the project, a national model work in improving inland waterways, will be of great significance to the development of the many manufacturing centers along the Xiangjiang River.

Southwest Region

Guizhou Secretary Speaks on Anticorruption Work

HK0904052294 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 28 Mar 94

[Text] The Guizhou Provincial CPC Committee called a provincial conference of leading cadres in Guiyang yesterday morning. The conference summed up the province's anticorruption work over the past year and made anticorruption work arrangements for this year.

Chen Shineng, provincial party committee deputy secretary and provincial governor, presided over the conference. **Xia Guohua**, provincial party committee standing committee member and discipline inspection commission secretary, relayed General Secretary Jiang emin's address to the recently concluded Third Plenary Session of the Central Discipline Inspection Committee.

Provincial party committee Secretary Liu Fangren delivered a speech in which he put forth the following four requirements on the ongoing anticorruption struggle across the province:

1. To correctly view the ongoing anticorruption struggle across the province. Secretary Liu Fangren stated: Guizhou has scored marked results in fighting corruption over the past year. Nevertheless, the province's anticorruption struggle has been plagued by unbalanced growth, unsustained progress, and some other problems. We should know that corrupt phenomena have now multiplied to a serious extent, posing a real threat to Guizhou. Therefore, we should be fully aware of the arduousness and protractedness of the ongoing anticorruption struggle.

2. The main tasks of and principles for the province's anticorruption struggle in 1994. Secretary Liu Fangren noted: This year, Guizhou's anticorruption struggle should be continually focused on party and government leaders at and above the county or provincial department section level. To this end, we should see to it that all party and government cadres at and above county or provincial department section level remain honest in performing official duties and abide by the party and government disciplines. We should work hard and strive for more progress in this regard. Moreover, we should make redoubled efforts to investigate and handle all major and serious cases, strictly enforce party discipline and state laws, straighten out departmental or professional malpractices in real earnest, and strive to make the province's anticorruption struggle submit to and serve the CPC's overall interests.

3. The party committees and governments at all levels across the province should strengthen leadership over the ongoing anticorruption struggle.

4. To forge and maintain flesh-and-blood ties with the broad masses of people and strengthen the effectiveness of the anticorruption struggle. Secretary Liu Fangren stressed: The mass viewpoint and mass line have remained the CPC's cherished traditions, they are the basis upon which the party and government can survive, and are the source of force with which we can overcome all sorts of hardships and difficulties. Improving party style and building a clean government are, in a nutshell, aimed at maintaining long-term flesh-and-blood ties between the party and government on the one hand and the broad masses of people on the other. We should always bear this point in mind.

The conference was attended by provincial leaders, including Wang Chaowen, Long Zhiyi, Wang Siqui, Wang

Guangxian, Hu Kehui, Li Wanlu, Wang Shouting, and Huang Yao; retired veteran leaders at and above deputy provincial level; leading cadres at the deputy provincial department director level; provincial discipline inspection commission members; prefectural, autonomous prefectural, city, and county discipline inspection commissioners; prefectural, autonomous prefectural, city, and county supervision bureaus chiefs; as well as discipline inspection groups leaders and supervision offices directors from various provincial departments.

Beijing Exploring Guizhou River Power Energy

*OW0804134494 Beijing XINHUA in English 1250
GMT 8 Apr 94*

[Text] Guiyang, April 8 (XINHUA)—China is making efforts in building hydro-power stations along the Wujiang River, a major tributary of the Chang Jiang River, in south-west China's Guizhou Province.

The state has just approved construction of the Hongjiadu Hydro-Power Station with a generating capacity of 540,000 kw.

Experts calculate that the Wujiang River's abundant hydro-power resources have a total potential capacity of 8.56 million kw for development.

At present a 630,000-kw hydro-power station is in operation, another 510,000-kw plant will be completed within the year, and in the long run, a Wujiang hydropower energy base with a total generating capacity of 6.39 million kw will be built up in the coming 25 years.

The Wujiang River Valley is rich also in natural resources of coal, aluminium, sulphur, manganese and mercury. The bauxite reserve amounts to 270 million tons, ranking third in China; and its phosphate ore reserve comes to 2.58 billion tons, ranking second in the country.

In order to accelerate development of hydro-power resources, the central government and Guizhou Province have also incorporated the Wujiang Hydropower Development Corporation of Guizhou, which will be in charge of construction and operation of nine power stations along the Wujiang River.

Sichuan Governor at Commodities Fair Opening

HK1104102594 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 1 April 94

[Excerpts] The 1994 Shanghai Commodities Fair and Symposium on Economic and Technological Cooperation solemnly opened in Chengdu on 1 April. [passage omitted]

The current commodities fair, sponsored by the Shanghai Government in coordination with the Sichuan Provincial and Chengdu City Governments, is the first large commodities fair held by Shanghai Municipality in

any other province. A total of 626 Shanghai enterprises are participating in the fair and are displaying up to 20,000 varieties of products in 40 major categories, including machinery and electrical products, cars, textile goods, fashion, and daily use products. These high-quality products are on display on the First Floor of the Provincial Exhibition Hall.

Today's opening ceremony was attended by Shanghai Vice Mayors Meng Jianzhu and Jiang Yiren and [Sichuan] provincial and [Chengdu] city leaders, including [Governor] Xiao Yang, Nie Ronggui, Pu Haiqing, Diao Jinxiang, Yang Zhonghui, Xin Wen, and Wang Rongxuan. The 1994 Shanghai Commodities Fair and Symposium on Economic and Technological Cooperation is now open. [passage omitted]

On 1 April, Sichuan Governor Xiao Yang, Shanghai Vice Mayor Meng Jianzhu, and Chengdu Mayor Huang Yikui cut ribbons for the opening ceremony.

Sichuan Meets on Anticorruption Work Results

HK1204055594 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 1 Apr 94

[Text] The anticorruption coordinating leading group of the provincial party committee and government held a joint meeting of provincial-level supervision departments in Chengdu yesterday. Discipline and law enforcement departments, such as the provincial discipline inspection commission, the provincial procuratorate and court, the provincial public security, justice, and supervision departments, and the industrial and commercial bureau reported their handling of major and important cases. Xie Shijie, secretary of the provincial party committee and Deputy Secretary Song Baorui addressed the meeting. [words indistinct]

In the first quarter important results were achieved in handling major and important cases.

The meeting participants stressed: Combating corruption and encouraging incorruptibility is a long-term task. All localities and departments should attach great importance and make unremitting efforts to carry out the task, enhance the ability to handle cases and handle cases where they occur, and at the same time, pay attention to education, the legal system, the establishment of rules and regulations, and leaders' exemplary role so as to form a political atmosphere of combating corruption and encouraging incorruptibility and promote social stability.

The meeting pointed out: Party committees and governments at all levels should pay keen attention to the handling of major and important cases, work hard to achieve good results, further boost the confidence of the masses of people in the anticorruption struggle, maintain social stability, and ensure the smooth progress of reform and opening up to the outside world.

The meeting also discussed and affirmed the implementation method concerning the self-rectification and self-correction of leading cadres at the county and office levels of party and government organizations in accordance with the new stipulations on honestly performing official duties and exercising self-discipline.

Also present at the meeting were Yang Zhonghui, Lo Liangyang, Li Yulong, Gong Dulun, Zhou Guangyan, and other leading comrades.

Sichuan Farmers Change Concept of Marriage

OW1104015694 Beijing XINHUA in English 0137
GMT 11 Apr 94

[Text] Chengdu, April 11 (XINHUA)—"Less children, less burden; late child-bearing, early money-making" has gradually replaced the formerly deeply-rooted "more children, more happiness" to become the most popular life maxim in rural Sichuan Province.

Local official said this marked the great changes in the Chinese farmer's concept of marriage and child-bearing.

Gan Zeqiong, a young woman in Pingan village near Chengdu, the provincial capital, participated in the marriage education schools held by the local family-planning department, together with her husband, where they were taught not only necessary knowledge on sex and pregnancy but also techniques of crop planting, breeding and market information by technicians.

During the two years since then, the couple has been busy in planting fruit trees and selling fruit and has decided to put off their child-bearing plan to what they said will be "a more appropriate time in the future."

In the district where the couple lives, almost every young farmer has grasped more than one practical technique.

Devoting most of their time and energy to utilizing these techniques and to their own capability to make more money, more than 2,000 young farmers have postponed their schedule for weddings and raising families and many young one-child couples have even voluntarily abstained from giving birth to the second one.

They have fully understood that it's more the quality of life than the scale of the family that matters in bringing about family happiness.

Sichuan is the country's most heavily populated province with 110 million permanent residents, with those in rural areas accounting for 80 percent of the total.

Alteration of most farmers' concepts of marriage and child-bearing has clearly begun to lighten the population burden in this western province, whose birth rate and natural increase rate of population in the year 1993 were 16.7 percent and 0.957 percent, respectively, both among the lowest of the country.

Foreign Firms Proliferate in Sichuan Province
OW10040415894 Tokyo KYODO in English 0332 GMT
10 Apr 94

[Report by Geoffrey Murray]

[Text] Chengdu, China, April 10 KYODO—Locals in the western part of China's remote Sichuan Province have long consumed Matsutake mushrooms without realizing that a highly profitable export item for the Japanese market was growing under noses. It took an enterprising private Japanese businessman to stumble onto the possibility and create a highly profitable business at 50 dollars a kilogram for an initial investment of only 100,000 dollars.

The Matsutake processing plant is only one of a number of Japanese business ventures that have "mushroomed" in the economic development zones surrounding the provincial capital of Chengdu.

With central government approval, Chengdu is now bent on becoming the economic hub of the previously backward inland areas of the Chinese southwest.

There are five development zones in Chengdu, each offering special privileges and competing fiercely for foreign investment. Some are out for the latest "cutting edge" technology, others are more intent on creating jobs.

The Longguan Development Zone, in a prime agricultural district alongside the Chengdu-Chongqing Expressway now under construction, is in the latter category. Longguan plays host to the successful Matsutake business, one of 50 foreign enterprises now in the area.

On a more ambitious scale, the giant motorcycle manufacturer Yamaha Motor Co., whose main operation is the Jianshe Manufacturing Plant Chongqing, produces various engine components in the Longguan Zone.

Another Japanese company, which Chinese officials did not name, was said to be holding talks with a local military factory converted to civilian use about a project to produce car and motorcycle engines. It is part of the potential development of Chengdu as an "automobile city," an idea floated by General Motors of the United States, whose officials have visited the area several times for discussions and a feasibility study.

Longguan, meanwhile, will see former military manufacturers set up shop to work on civilian aerospace projects and produce agricultural machinery such as tractors and car engines.

The central government has set aside 500 million yuan to move in a number of factories. Some 10,000 workers will transfer to Longguan this year, and the figure will eventually climb to 100,000, creating a vast satellite city only a few kilometers from Chengdu.

The nearby expressway, due for completion in the second half of the year, will give the growing industrial zone easy access to Chengdu International Airport 35 kilometers away in one direction and Chongqing, a Chang Jiang River port, some 360 kilometers in the other.

District officials are running a major sales drive to fill the vacant spots in the 9.94 square kilometer development zone, and the surrounding countryside. Incentives for businesses to relocate there include "fast track" processing of their applications by the bureaucracy, no interference by the state as long as no laws are broken and generous tax reductions.

In line with the central government's new "open policy," district officials are relaxed and pragmatic. Nothing is impossible, they suggest, for the potential foreign investor.

For example, involvement in real estate operations is theoretically forbidden to foreigners to prevent them from buying and selling Chinese land. But, hint officials, why not come in and register as something else—say a tourism business—and then ask the local planning commission to extend the area of business into real estate? Nothing could be simpler in the new capital-oriented Chinese society.

Tibet River Development Yields 'Good Returns'
OW1104075794 Beijing XINHUA in English 0725
GMT 11 Apr 94

[Text] Lhasa, April 11 (XINHUA)—The ongoing Three Rivers Comprehensive Development Project in Southwest China's Tibet Autonomous Region has begun to yield good returns.

A total of 22 projects on the middle reaches of the Yarlung Zangbo, Nyangqu and Lhasa Rivers have been completed over the past three years.

The projects include the building or expansion of four reservoirs with a combined holding capacity of 26.12 million cu m of water, two hydropower stations with a total installed capacity of 2,200 kw, land improvement and afforestation.

In the three years the total investment in the projects has been 240 million yuan (about 30 million U.S. dollars). Over 1,333 ha of low-yield farm land have been improved, and over 6,666 ha of land planted with trees.

The construction of water conservancy, energy, transport, technology, farm, animal husbandry and forestry projects along the rivers have greatly improved local farming conditions and the ecological environment.

Last year the production of grain, rape, meat and milk in the project areas were respectively 62.06, 79.2, 17.47 and 21.24 percent of the totals for the region.

North Region

Beijing Mayor Outlines Infrastructure Plans

OW0904073894 Beijing XINHUA in English 0644
GMT 9 Apr 94

[Text] Beijing, April 9 (XINHUA)—China's capital city of Beijing will step up its infrastructural construction this year, Mayor Li Qiyan said Friday [8 April].

It plans to earmark 12.5 billion yuan to boost the development of several major projects including water, heat and electricity supply and highways, Li said at a meeting of the municipal people's congress.

Li said that the city's total investment in infrastructure reached 10.36 billion yuan last year, a sturdy 76.2 percent rise from the year 1992.

A number of major projects such as the expressway leading to the capital airport, the eastern section of the third ring highway and part of the Beijing-Shijiazhuang Expressway have already opened to traffic, he said.

It also added another length of 61.6 kilometers of highways and 15 flyovers last year, he said.

In addition, the first phase of a large sewage treatment plant with a disposal capacity of 500,000 tons of waste water has been put into trial operation.

The mayor said that emphasis of the infrastructural construction this year will also be placed on improvement of the housing conditions of the city dwellers.

He said the total floor space to be built this year is expected to surpass 6.5 million square meters that will house 95,000 residents. At the same time, efforts will be made to rebuild or repair the shabby and dangerous houses.

Over six million square meters of houses were built last year, making the total housing built over the past 15 years adding up to 110 million square meters, he added.

The official said that the average living space per capita of the urban people has now increased to 12.5 square meters while that of the farmers in the suburban area is 23.7 square meters.

Beijing To Accelerate Market Economy Development

OW0804171494 Beijing XINHUA in English 1452
GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—Beijing will speed up the establishment of a socialist market economy this year, Mayor Li Qiyan said here today.

Li made the remark at the second session of the eighth municipal people's congress opened here today.

Li said that more effective measures will be explored to push forward the modern enterprise system. A group of

well-performed large and medium-sized enterprises will be selected to have a trial operation of the modern enterprise system.

More experiments will be done to promote the shareholding system. Five enterprises in Beijing will be listed abroad, according to the mayor.

The Chinese capital also will incorporate a number of inter-regional or multi-industrial large enterprise groups and chain-enterprises.

Small state-owned enterprises will go through various reforms such as leasing operation, joint-stock holding and selling properties by auction, Li said.

A network of markets will be developed with emphasis on the establishment of a capital goods market, the mayor said.

This year, the city will mainly develop and improve edible oil and commodity exchanges, chemicals, steel, automobile, coal and building material markets.

Financial and property markets will also be developed while promoting technology, information, labour and futures markets.

The city will accelerate legislation to keep the markets in good order, Li added.

A macro-economy control system will be established in the city. Specialized banks will be shifted to commercial banks, and financial insurance system will be promoted.

The city plans to set up a development bank, a merchant bank and an urban and rural cooperative bank. Foreign and joint-venture banks and the Beijing securities trading center are also expected to be established in the city this year.

Beijing will work hard to promote its insurance and welfare system. A new system will be built up to guarantee a normal increase of pensions for the retirees.

The city will streamline the municipal government within the year and get ready for the implementation of the civil service system, said the mayor.

Beijing Targets 10 Percent GDP Growth for 1994

HK1004075794 Beijing CHINA DAILY in English
9 Apr 94 p 1

[By staff reporter Hong Xia: "Beijing Targets 10 Percent GDP Growth This Year"]

[Text] Beijing plans to push its economic output to 99 billion yuan (\$11 billion) this year, a 10 percent jump over 1993.

The goal, set by Mayor Li Qiyan yesterday, is 2 percent less than last year but 1 point higher than the national gross domestic product (GDP) target of 9 percent for 1994.

The mayor opened the Municipal People's Congress [MPC], the city legislature, by outlining several of the capital's economic priorities for the coming year. The MPC session runs for one week.

Li said agriculture and industry should grow 3.5 and 9.8 percent respectively.

He stressed the importance of the city's service sector—a development priority—and projected an 11.5 percent increase in output, making up 47.5 percent of GDP.

To ensure sustained, rapid and healthy growth, Beijing will focus on improving economic efficiency and product quality.

It plans to spend 484 million yuan (\$55.6 million) this year to promote agriculture, 11.8 percent more than last year, Li said.

Arable land should be preserved and more bases of non-staple food set up. Vegetable farms will be expanded by 10,000 hectares.

Top finance official Sun Jiaqi shrugged off the city's \$500 million deficit for 1994. Sun said revenue will grow by 9 percent to reach 4.25 billion yuan (\$488 million). And expenditures will reach 8.56 billion yuan (\$984 million), up 5.7 percent over last year, the Finance Bureau director said.

But a roughly balanced budget is expected because of central government tax refunds and subsidies, as well as last year's financial surplus.

To increase farm income, the city will promote a high-yield, quality and efficient agriculture.

Meanwhile, Beijing will encourage industry development that consumes less water and energy and produces less pollution, Li said.

The capital's three key industries of cars, electronics and new building materials will be accelerated.

And technical renovation of enterprises will be stepped up, he said, calling for one-third of the key plants to be revamped.

Retail sales are expected to increase 20 percent to hit 66.4 billion yuan (\$7.6 billion)—just the beginning of the city's shopping bonanza.

Ten more shopping complexes with a floor space of at least 10,000 square metres will open to business in 1994.

Beijing Inflation Rate Reaches 23 Percent
HK0804151394 Beijing ZHONGGUO HE
in English 1332 GMT 8 Apr 94

[Text] Beijing, April 8 (CNS)—Beijing municipality has been seeing a continuous rising of prices, arousing great concern and becoming the focus of current discussions by the Beijing People's Congress.

Information released by the Beijing Bureau of Statistics showed that prices rose by over 23 percent on average in the first quarter and the rising trend was continuing, resulting in heavy inflationary pressures being felt by residents. Delivering report on government work to the Congress, Mayor Li Qiyan said that prices for daily necessities had climbed too quickly in recent times. Representatives attending the meeting were convinced that the current rising prices were mainly seen in milk with a 33 percent hike last February and in fresh vegetables which registered a price increase of 37 percent. Prices rises in these two daily items triggered off price increases for other items. General workers and those working with enterprises cannot afford such prices and persons going into retirement or on leave received the greatest impact.

Deputies to the municipal People's Congress strongly appealed to the municipal government for measures to bring the runaway prices under control. They asked for a clear picture on how much prices in Beijing would climb this year. Mr. Li and the executive vice mayor Mr. Wang Baosen told the deputies that the municipal government would take steps to curb prices from rising further. The measures include the powers of responsibility held by the mayor and heads of counties and districts. Great efforts in the food production programme will be made including the main agricultural by-products such as grains, oil, meat, eggs and milk to stabilize prices.

The municipality will further open itself to the outside world to draw on more sources of goods. With the measures for price adjustment in place, the municipal authorities will strictly control the number of items for price reform this year.

Prices inspection on two occasions will be carried out in the first half and second half of this year. The raising of prices by capitalizing on the price rise trend, the increasing of prices by individuals, price hikes under the pretext of increasing taxation and profiteering by raising prices have to be harshly punished. The enactment of laws and regulations countering the practice of making staggering profits is in full swing and will come into effect this year.

Over 95,000 Beijing Families To Get New Homes

OW1004143594 Beijing XINHUA in English 1402
GMT 10 Apr 94

[Text] Beijing, April 10 (XINHUA)—More than 95,000 households of Beijing residents will move into new homes this year, the city Mayor Li Qiyan said.

Li said that renovation of dilapidated houses and construction of new residential buildings will be accelerated so that a total of 6.50 million sq m of houses will be available by the end of the year.

The "Kangju Project," aiming to provide more housing for lower-income families with small living space, will be one of the key projects in the housing blueprint, according to Li.

One sq m of the "Kangju Residence" would cost 700 yuan, according to Zhang Baifa, a vice-mayor of the city. Currently, one square meter of commercial housing typically costs 3,000 to 4,000 yuan in Beijing.

"If that price is still out of reach for the lower income families, they will get help from the government and their employers," Zhang said in a recent press conference.

The vice-mayor said that Beijing will continue to carry out the fund-accumulation system, something like the mortgage system in the west, and carry out reforms in commercializing housing.

Some 8,000 sq m in residences in the construction project begun last year have been put into use. Another 300,000 sq m of residences will be completed this year. Some one million sq m of dilapidated houses will be rebuilt.

Statistics show that Beijing now has a total residential space of 110 million sq m, with 8.3 sq m for each citizen. However, there are still more than 200,000 lower-income households living in cramped houses with less than 4 sq m of living space per capita.

In an attempt to quicken the pace of housing construction, Beijing began to make use of overseas capital last year. Dozens of contracts to jointly renovate old houses were signed with overseas investors, including Hong Kong tycoon Li Ka-shing.

Overseas Business Agencies in Beijing Exceed 5,000

OW1104162194 Beijing XINHUA in English 1517
GMT 11 Apr 94

[Text] Beijing, April 11 (XINHUA)—There are now more than 5,000 overseas agencies in Beijing, posing pressure on the supply of office space.

Local officials said that the number of business agencies of internationally-known companies keeps rising in the Chinese capital. Most of the existing office buildings have been rented out.

The China World Trade Center, for instance, harbors more than 300 offices of overseas companies from over 20 countries and regions, including Japan, the United States and Germany.

All of the center's office accommodation has been occupied continuously in the past two years.

Overseas investors have been flocking to Beijing. Renovation projects of major commercial facilities in Beijing's Wangfujing, Xidan and other golden areas have incorporated overseas investment.

At present, construction of several more office buildings in the city is in full swing.

Hebei Secretary on Vegetable Basket Project

SK1204075094 Shijiazhuang HEBEI RIBAO in Chinese 30 Mar 94 p 1

[By Yang Qingyu (2799 1987 3842): "Food Industry Should Become Hebei Province's Pillar Industry"]

[Text] Our province's food industry should serve the domestic and international markets and be developed as a pillar industry. Developing the food industry is an important measure for guaranteeing the basic living demands of the urban people and enabling peasants to become better-off with moderate prosperity and an important component for developing the export-oriented economy. This was repeatedly stressed by Cheng Weigao, secretary of the provincial party committee, when he listened to Shijiazhuang city's briefings on development of the vegetable basket project today.

Today, the production line for producing 10,000 tonnes of Guangbei Brand cook meat products under the Shijiazhuang city meat packing plant, which is one of the key items of Shijiazhuang city's vegetable basket project, was completed and put into production. Provincial leaders, including Cheng Weigao, Li Bingliang, Zhao Jinduo, Guo Hongqi, Gu Eerxiong, Song Shuhua, and Zhang Runshen, and former provincial leaders, such as Xie Feng and Hong Yi, travelled to the plant to extend congratulations. After that, they listened to briefings given by the Shijiazhuang city government on the vegetable basket project.

Cheng Weigao said: The CPC Central Committee and the State Council have been concerned about this vegetable basket project. Whether we can enrich the vegetable basket in the course of deepening reform will affect economic and political stability. Foodstuffs are an important aspect to the vegetable basket project. Our province has rich resources for the development of the food industry which should become a pillar industry along with steel, iron, machinery, and textile industries. On the one hand, we should do a good job in local market supply; and on the other hand, we should make food industry serve the domestic and international markets. At present, people have failed to fully understand this point. The development of food industry may lead the processing industry and aquaculture forward, make a number of peasants rich, arrange jobs for a batch of labor force, and enrich the vegetable basket and market supply. It is necessary to regard this work as an important measure for enabling peasants to become well-off and developing the export-oriented economy.

Cheng Weigao said: To grasp the vegetable basket, first of all, we must do a good job in production and supply; and second, strengthen market management and price management, deal blows to unlawful acts, such as manipulation of markets, mixing up good and inferior products, selling fake products, forcing the prices up, and

giving short measurements, protect the interests of consumers, and keep the prices at a rational level. He expressed hope that Shijiazhuang city will pay attention to the four matters in the course of carrying out the vegetable basket project: First, Shijiazhuang city should attend to hog raising, accelerate the development of the meat processing industry, and exert efforts to raise the product quality and increase product varieties; second, actively carry out the work of raising cattle with straw; third, accelerate the development of vegetables within plastic sheet coverings and select several vegetable varieties for intensive processing or for sale within small packages; and fourth, develop the intensive processing of grain products.

Foreign Funds Help Improve Hebei Medical Care

*OW0804115094 Beijing XINHUA in English 1105
GMT 8 Apr 94*

[Text] Shijiazhuang, April 8 (XINHUA)—North China's Hebei Province has since 1988 improved medical care in rural areas using nearly 27.4 million U.S. dollars in either interest-free loans or assistance from international organizations.

An official of the provincial public health department said that the World Bank has promised a 21 million U.S. dollar loan to Hebei to assist it in training rural doctors and improving rural clinics.

Hebei began to undertake the six-year World Bank-aided project in November 1993, he said.

When the project is completed, working conditions in 222 rural clinics will be improved and better medical services provided for 30 million farmers, he said.

Now, 12 poor counties in Hebei are co-operating with the United Nations Children's Fund in improving medical care for rural women and children and promoting family planning, the official said.

The counties have received 543 sets of medical equipment worth 3.5 million yuan from the fund, he said.

Moreover, funds from other international organizations are being used to control tuberculosis [T.B.] in 111 counties, cities and districts in hebei, he said.

By the end of 1993, 10,000 T.B. patients had received free medical treatment.

Wang Youhui, vice-governor of Hebei Province, pledged to make efficient use of the funds from international organizations to improve medical care in rural areas, where 80 percent of Hebei Province's population lives.

Inner Mongolia Invests in Telecommunications

*OW1004045194 Beijing XINHUA in English 0134
GMT 10 Apr 94*

[Text] Hohhot, April 10 (XINHUA)—More than 140 million yuan will be spent this year to upgrade the

telecommunications facilities in northern China's Inner Mongolia Autonomous Region.

Local officials said that the autonomous region is to construct another 200 telecom projects this year to help promote local economic growth.

Among the 200 projects are two national projects—the Inner Mongolian section of the Beijing-Shenyang-Harbin optical fiber line and of the Beijing-Hohhot-Yinchuan-Lanzhou optical fiber line—and a few long distance telephone lines.

According to the development plan, 17,470 long distance automatic terminals, three times that of 1993, and another 2,000 long distance telephone lines will be added to the existing long distance network. That will help all counties and banners of the autonomous region to reach the target of long distance direct dialing.

In addition, some 300,000 lines of intra-city telephone exchanges will be installed this year and 80 rural telephone automatic exchange systems will be added.

Last year, automatic long distance telephone services were installed in 100 counties and banners on the grasslands.

Shanxi Store Employees Attack Price Inspectors

OW1104164594 Beijing XINHUA Domestic Service in Chinese 1324 GMT 11 Apr 94

[Unattributed report]

[Text] Beijing, 11 Apr (XINHUA)—On the afternoon of 22 March, a joint inspection team organized by the Xinzhou Prefecture and Xinzhou city, Shanxi Province, price inspection departments—while inspecting price tags at the Guangxiu Department Store (a large, privately run retailer)—were attacked by the department store's security personnel and other employees who claimed that they were "imposters with fake papers," according to information provided by the State Planning Commission. They hauled one of the inspectors to the security office and there beat him up using a baton. Two inspectors who later entered the office to negotiate with them were also beaten, abused, and held in custody for nearly two hours, thus severely obstructing the price inspectors from carrying out their official duties.

Leaders of Shanxi Province, the Xinzhou Prefectural Administrative Office, and Xinzhou city took the incident rather seriously. The Xinzhou Prefectural Administrative Office instructed the Xinzhou city government to strictly handle the incident, and the Xinzhou city Public Security Bureau has assigned police to investigate. Guo Yuhuai, member of the Shanxi Provincial Party Committee Standing Committee and executive deputy governor, instructed the secretary of the Xinzhou Prefectural Party Committee to take personal charge of the matter and see to it that the offenders are duly punished. SHANXI RIBAO was going to report the

incident and express its support for price inspectors' exercising their regular powers and functions.

The incident is still under investigation. On 1 April, Wang Dahu, deputy chief of the security section at the Guangxiu Department Store and the principal offender in the attack, was taken into custody for interrogation in Xinzhou city.

Tianjin People's Court Work Report Presented

SK1204071294 Tianjin TIANJIN RIBAO in Chinese 24 Mar 94 p 8

[Work report of the Tianjin Municipal Higher People's Court by Zhang Bofeng, president of the municipal higher people's court, at the second session of the 12th municipal people's congress on 5 March]

[Text] Fellow deputies: The people's courts at all levels throughout the municipality carried out the administration of justice by earnestly implementing the duties imposed on them by the Constitution and law in 1993 and scored new achievements in accelerating their self reform and improvement. In 1993 they received 38,656 first-and-second trial cases of crimes as well as of civil, economic, and administrative disputes, which showed a 4.15 percent increase over 1992. They tried and wound up 38,656 cases, which showed a 4.26 percent increase over 1992. They handled 77,978 cases of petition letters and visits written and paid by the masses. While successfully conducting the administration of justice, they further enhanced their sense of initiative rendering services and continuously paved the new ways of serving the reform and economic construction. Through the administration of justice and their initiative service they made positive contributions to safeguarding the municipality's stability; promoting the deep-going development of the anticorruption struggle; protecting the legal rights and interests of citizens, legal persons, and other organizations; ensuring the enforcement of the state macroeconomic readjustment and control; and promoting the smooth progress of reform, opening up, and economic construction.

1. We Dealt Strict Blows at the Criminal Elements Who Had Seriously Endangered the Social Peace; Strictly Punished the Criminal Elements Who Had Damaged the Economy; and Created a Fine Social Environment for Reform, Opening Up, and Economic Construction.

In 1993 the people's courts at all levels throughout the municipality received 5,581 first-trial cases that showed an 11.13 percent increase over 1992. Of these cases, those of serious and appalling crimes showed a 16.02 percent increase over 1992. They tried and wound up 5,552 first-trial cases that showed a 10.4 percent increase over 1992. Of 5,843 criminals whose cases were tried in the year, 5,800 were announced guilty and accounted for 99.26 percent in the total, showing a 2.7 percent increase over 1992. Of these tried criminals, those who were sentenced to more than five-year imprisonment, life

imprisonment, and death penalty (including probation) accounted for 28.63 percent in the total; those who were sentenced to less than five-year imprisonment, reform, surveillance, and probation accounted for 68.89 percent; and those who were exempted from criminal punishment accounted for 1.74 percent.

A. We deeply carried out the struggle of "dealing strict blows at crimes" and made out-all efforts to safeguard the social stability.

The broad masses of cadres and policemen of the people's courts at all levels across the municipality further enhanced their sense of dealing strict blows at crimes and deeply carried out the struggle against crimes. They emphatically handled the serious and appalling criminal cases that had seriously endangered the social peace. In particular, they persistently joined in advance in the investigations of serious and appalling criminal cases of murder, hold-up, rape, heavy harm, gangsters, and arson, which were bitterly hated by the masses. They carefully examined these cases as well as tried and wound up them rapidly. They also resolutely, heavily, and rapidly punished in line with the law the criminal elements whose crimes were very serious. They resolutely gave heavy judgment or death penalty to criminals who deserved to receive. Thus, they reinforced the dynamics of dealing blows at crimes and continuously maintained the trend of "dealing strict blows at crimes". They tried and wound up 2,695 criminal cases that exerted serious influence to the society and effectively punctured the arrogance of criminal elements. In line with the prominent problems of public security, they actively carried out the specialized struggles and concentratedly dealt blows at robbery and the damage of electric equipment. They earnestly implemented the "decisions" adopted by the municipal people's congress standing committee with regard to banning narcotics; punishing the criminal elements of smuggling, making, and trafficking in obscene things; banning prostitution and going whoring; and strictly punishing the criminal elements of abducting women and children. They also jointly with the relevant departments actively carried out the struggle against "pornographic things" and "six vices" as well as tried and wound up 64 cases of luring and sheltering women for prostitution, making and trafficking in obscene things, participating in gambling, abducting and trafficking in human beings, and trafficking in narcotics. They created a fine social environment for reform, opening up, and the establishment of socialist market economic systems.

B. We strictly punished economic crimes, attended to trying major and appalling cases, and promoted the deepening of anticorruption struggle.

People's courts at all levels across the municipality continued to deal strict blows to criminal activities that seriously disrupted the economy in line with the law and gave priority to punishing criminal activities concerning state functionaries who took advantage of their posts to engage in corruption, bribery, misappropriation of

public funds, production and marketing of fake and inferior commodities, tax evasion, refusing to pay taxes, and other activities that damaged the prestige of the party and the state and disrupted the socialist market economic order. In line with the guidelines of the central directive on handling major and appalling cases well, we prominently grasped the handling of major and appalling cases well. We accepted 357 economic criminal cases each involving an illicit sum of over 10,000 yuan, accounting for 35.9 percent of the total number of economic criminal cases, and recovered 6.8 million yuan in economic losses for the state and the collectives. Regarding serious economic criminals, we upheld the principle of punishing them strictly in line with law. Of these economic criminals, 30.41 percent were sentenced to more than five years of imprisonment, life imprisonment, and capital punishment (including death sentence with temporary suspension of the execution), an increase of 9.41 percentage point over the previous year. Courts at all levels across the municipality upheld the principle of "first be resolute and second be careful and accurate," strictly handled cases in line with facts and evidences, applied suitable law to the cases, conscientiously studied and understood the state promulgated law and regulations on economic construction and the party's relevant policies on the establishment of the socialist economic structure, strictly distinguished between the limit between economic crimes and miscalculations in economic activities, and properly handled the relationship between dealing blows and protection; strictly distinguished between the limit between economic crimes and ordinary economic law-breaking acts; and properly handled the relationship between dealing blows and education. Meanwhile, they provided economic criminal clues for public security and procuratorial departments which they had discovered in the course of economic trials. In order to expand the social effect in handling cases, courts at all levels across the municipality extensively conducted propaganda on the legal system through public trials, meting out punishment in the public, and reporting by the press media. Since last August, the municipal intermediate and higher people's courts successively tried and meted out sentence for the case of Yu Zuomin of Daqiu Zhuang in Jinghai County, and the corruption case of Hu Fengming, former manager of Guomin Hotel, and a number of cases that brought a great influence to the people. Particularly, the handling of the case of Yu Zuomin caused strong repercussions in society, showed the decision and acts of the party and the people's government in strengthening the legal system and fighting corruption, promoted the in-depth and sound development of the anticorruption, and received a good comment from all social sectors.

C. We actively participated in comprehensive management of public security and succeeded in preventing and reducing crime.

People's courts at all levels across the municipality conscientiously upheld the principle of "giving simultaneous attention to dealing blows to criminals, preventing

crimes, and taking temporary and permanent measures for solution," and paid attention to the comprehensive management of public security in the course of giving trials. While actively conducting the struggle to "deal strict blows to criminals," they actively coordinated with relevant departments to manage some areas where public order was chaotic, selected some typical cases with educational significance, and conducted open trials in places where the cases occurred in an effort to expand the results of handling cases. They held 315 public trials on various sorts of cases, concentrated efforts on meting out sentences for 908 criminals, and allowed 7,904,800 people to listen to the trials, thus effectively dealing blows to and frightening the criminals and inspiring the masses of people to struggle against criminal acts. We continued to strengthen juvenile court work, unceasingly improved the method of "educating juvenile delinquents in the course of trials and integrating punishment with education," further implemented the measures aiming at helping and educating delinquents, and saved a great number of misguided youths. We paid attention to education on implementing legal policies before, during and after the trials, on admitting the crimes and serving the sentence, on urging delinquents to receive transformation, and on tracking their acts. We handled 2,572 cases on reducing sentences and releasing criminals on probation in line with the law, and succeeded in promoting education and transformation of criminals held in custody. We did a good job in helping, educating, and examining criminals whose sentences were temporarily suspended and their punishments were exempted or reduced, and who were released on probation, and succeeded in preventing criminals from committing new crimes again and reducing the number of such cases. Suggestions for conducting judicial work were actively encouraged. Over the past year, 452 suggestions for judicial work were proposed, 41 percent of which were accepted, and these suggestions yielded fairly good social effect.

2. We Strenuously Strengthened Economic Trials and Actively Served the State Macroeconomic Regulation and Control Policy and the Development of the Socialist Market Economy

The people's courts across the municipality accepted 6,248 cases on economic disputes for first trial, an increase of 29.7 percent; the lawsuits involved a total sum of 1,047,120,000 yuan, an increase of 169.92 percent over the previous year.

People's courts at all levels across the municipality proceeded their work from guaranteeing the smooth implementation of the state macroeconomic regulation and control policy and the establishment and normal operation of the market economic structure and made special efforts to strengthen the trial of the following few kinds of cases:

A. They carefully handled all sorts of cases emerged in the course of changing the planned economic system into the market economic system. The tried and concluded

184 cases on enterprise bankruptcy, enterprise contracted and leasing operation, enterprise cooperative management, and enterprise amalgamation emerged in the course of changing the operational mechanism.

B. They conscientiously tried all sorts of cases emerged in the process of cultivating the socialist markets. They tried and concluded 3,262 cases on purchase and marketing contracts, bill disputes, and infringement on patent and trademarks, and at the same time, actively and carefully tried cases of a new type, such as cases on disputes concerning futures trade and listing stock in other localities.

C. They promptly handled all sorts of economic disputes emerged in the course of strengthening the state macroeconomic regulation and control policy. Primarily, they coordinated with the state to rectify the financial order, strengthened the trial of cases on bank loans, and concluded 415 cases on loan contract disputes, and recovered 40 million yuan in overdue loans for the financial departments in line with the law. They conscientiously tried 121 cases on contract disputes of construction projects occurred when the state curtailed the capital construction funds, and coordinated with the government to readjust the capital construction items.

D. They actively tried all kinds of cases related to the development of the rural economy. They properly tried cases on rural contract disputes and safeguarded the responsibility system with the family-based output-related contract responsibility system as the mainstay. Meanwhile, they promptly tried cases on economic disputes involving township enterprises and promoted the development of the rural economy.

E. We fairly tried and handled cases on maritime affairs and maritime businesses. Last year, we tried and handled a total of 136 cases of this kind, an increase of 183.33 percent over the previous year. Cases involving foreign countries, Hong Kong, Macao, and Taiwan accounted for 35.29 percent of this. As a result, the legitimate rights and interests of Chinese and foreign parties concerned were protected and opening up and international economic and trade development were promoted.

In the course of improving the trial of economic cases, people's courts at all levels continuously expanded their service for reform, opening up, and economic construction.

First, economic dispute mediation centers were established. Economic dispute mediation centers were set up at various grass-roots courts in the municipality, the municipal intermediate people's court, and the municipal maritime affairs court. In line with the demands of the Supreme People's Court, and within the scope stipulated by laws, these centers provided mediation to economic disputes before disputes were brought to lawsuits by following the principle of "being simple, flexible, rapid, and efficient." As a result, economic disputes were resolved rapidly. Last year, economic dispute mediation

centers throughout the municipality received a total of 2,100 cases, of which, 1,500 were concluded. Through these cases, 150 million yuan worth of economic losses were retrieved for enterprises. The average time to conclude a case of this kind was one month, and some of these cases were concluded within only several hours.

Second, help was provided to enterprises to clear debts according to laws. In light of the problem in which some state-owned enterprises and township enterprises in the municipality were unable to clear receivable debts and thus seriously affected economic development, many courts positively launched the special service activities of helping enterprises clear receivable debts, thus promoting the development of enterprises.

Third, the joint activity of building the legal system was tried. We actively launched the activities of building the legal system together with some enterprises, positively propagated policies and laws, guided enterprises to mediate disputes, and helped enterprises perfect contracts, establish regulations and systems, and train legal professionals to handle cases according to laws. At the same time, enterprises also supervised law enforcement of courts, thus helping raise the law enforcement level of courts.

Fourth, the contacts between courts and economic management departments were strengthened. The municipal higher people's court established the economic dispute coordination office together with the municipal economic development and coordinated in a timely and appropriate manner, 40 cases that emerged suddenly due to the forced freeze and transfer of enterprises' funds on accounts by the courts of other localities. The municipal higher people's court also received and handled 228 disputes and cases of various categories, involving 120 million yuan.

3. We Positively Conducted the Trial of Civil and Administrative Cases, Protected Legitimate Rights and Interests of Citizens and Legal Entities, and Supervised and Safeguarded Administrative Organs To Do Administrative Work According to Laws

People's courts at all levels in the municipality received and handled a total of 23,070 civil cases of the first ruling, of which, 23,304 were concluded. With the implementation of the "General Principles for Civil Code of the PRC" and the "Law on Civil Procedures" as the central task, people's courts at all levels in the municipality comprehensively enforced the laws and policies on civil affairs, improved the methods of trying civil cases, and laid emphasis on trying the cases in the following aspects: They concluded the trying of 2,571 cases on real estate, 3,026 cases on debts payable, and 36 cases on labor disputes that were closely related to economic construction and the development of market economy, thus promoting the establishment and development of real estate, banking, and labor service markets.

Second, we meticulously tried and handled 11,857 cases on matrimonial and family disputes and protected the

legitimate rights and interests of old people, women, and children, thus making many families more harmonious. Third, we appropriately handled 2,498 cases on damage compensation, land, and irrigation works, safeguarded the legitimate rights and interests of the persons concerned, and imposed sanctions upon the behaviors running counter to civil laws, thus promoting unity and stability and the building of the socialist spiritual civilization. Fourth, we continuously improved the forms to trying cases and gave full play to the role of persons concerned in providing evidence. Some people's courts also tried out the methods of "separating complicated cases from simple ones" and "opening court sessions directly," thus improving the quality and efficiency in trying cases. Some people's courts established real estate trying tribunals to resolve complicated or difficult real estate cases in a correct and timely manner. Fifth, we strengthened the work concerning the grass-roots people's courts and newly established six people's tribunals, so that the total number of people's tribunals throughout the municipality reaching 208. The vast numbers of cadres and policemen of people's tribunals fearlessly and persistently went down to rural areas, plants, and even households to handle cases on the spot, thus providing convenience for the masses to take legal proceedings. These cadres and policemen also positively guided the grass-roots units to regulate and organize work, thus resolving many contradictions and disputes of the grass-roots units in a timely manner.

People's courts at all levels in the municipality positively and prudently tried administrative cases. Last year, we received and tried 161 administrative cases of the first ruling, a drop of 2.43 percent from the previous year, and concluded the trying of 161 cases. Of these cases, 39.75 percent had the specific administrative behaviors of administrative organs maintained according to laws, 15.5 percent had their original penalty and court decisions canceled or changed, and 31.68 percent had their lawsuits withdrawn by persons concerned. As a result, the legitimate rights and interests of citizens, legal entities, and other organizations were protected according to laws, the execution of functions and powers by administrative organs were supported and supervised, and the building of democracy and the legal system was promoted. In the course of trying cases, we vigorously conducted the administrative execution work. Based on the large scale and heavy task of rebuilding Tianjin's dangerous houses, which gave rise to more administrative disputes, some people's courts voluntarily went deep to real estate management and urban construction departments to conduct investigation and study and offer legal consultations and suggestions for key house rebuilding projects. People's courts also transferred some judicial personnel to the worksites of relocation projects to accept and handle the enforcement cases registered by administrative organs, and to resolve the problems existing in the administrative enforcement cases so as to protect the legitimate rights and interests of the relocated people and ensure the smooth progress of key house rebuilding projects.

4. We Actually Strengthened the Work of Lodging Lawsuits, Appeal Against Legal Decisions, and Execution of Legal Decisions, Thus Safeguarding the Fairness and Dignity of the Law

People's courts at all levels in the municipality positively and boldly accepted and tried all kinds of new cases emerging in the development process of reform, opening up, and economic development and actually protected the concerned persons' rights to bring lawsuits against others and to appeal against legal decisions. We appropriately handled the disputes that tended to cause disturbances and that were revealed by the masses. We patiently attended to the work of persuasion and education, thus resolving contradictions and calming down incidents. Last year, we handled a total of 53,674 petitions from the masses and mediated and handled 464 simple disputes. We strengthened the functional role of judicial and supervisory departments, persisted in the principles of seeking truth from facts and correcting whatever was wrong. We conscientiously handled cases of appeal, maintained according to laws the cases whose original judgment was right, and corrected according to laws the cases whose original judgment was wrong. Last year, we concluded the trying of 1,520 appealing cases of various kinds, of which, 101 had their judgment changed completely or partially. As a result, the fairness and dignity of laws were safeguarded. For those who unjustifiably kept appealing against court decisions, patient persuasion was given them to withdraw appeals and accept court decisions. We voluntarily invited people's congress deputies and members of Chinese People's Political Consultative Conference committees to attend court sessions as visitors and to inspect cases. We also listened to their opinions with an open mind and consciously accepted the supervision by the masses.

In order to overcome the "difficulties" encountered in the implementation of court judgments, the people's courts at all levels across the municipality adopted powerful measures to improve the implementation methods and to expand the implementation ways by proceeding from having people's courts serve economic construction. The municipal higher people's court established the tribunal last year in charge of implementing the court judgment, thus, it straightened out the relationship between higher and lower people's courts in the work of implementing the court judgment and enhanced the guidance and harmony over the implementation work. As for cases that exerted great influence and encountered great interference and difficulties in the implementation, these people's courts asked for instruction and reported them in a timely manner to the municipal party committee and the municipal people's congress as well as kept the municipal people's government informed of them in order to enhance the contacts with various circles and to obtain their understanding and support. The people's courts in some districts and counties actively launched a "campaign" in this regard and emphatically enhanced the work of handling the long-standing discrepancies in old cases that involved multiple links and faced great difficulties. By fostering

the concept of taking the whole situation into consideration, they assisted outside people's courts to handle 94 cases. They also upheld the civilized implementation in this regard, put emphasis on the style and method of implementation, overcame and resisted local protectionism, and emphasized that no one is allowed to regard the withholding of hostages as a measure in implementation. The municipal higher people's court adequately mediated and handled 10 incidents in which outside people's courts came to the municipality to deal with their cases by withholding the hostage. It also actively handled the incidents in which the cadres of the municipal people's courts were scolded and beaten in the implementation work or in taking legal proceedings. Thus, it dealt blows at the criminal activities that impaired the performance of official duties by upholding and promoting justice. Through the arduous efforts made by the broad masses of implementing personnel, the municipality received 5,951 cases in this regard in the year and handled and concluded 5,998 cases to show a 3.54 percent increase over 1992. It recovered 42,514,800 yuan in funds involved in these cases.

5. We Strived To Be the First-Class Court of the Country and Further Enhanced the Work of Self Reform and Improvement

A. We made efforts to strive to be the first-class court of the country. The municipal higher people's court put forward the fighting target of "striving to be a first-class court in the country through efforts in the next five years" at the forum of presidents of people's courts across the municipality last year. Thus, it unified the ideology and understanding of leading cadres at all levels and of the broad masses of cadres and policemen. Thus, a new situation in which all courts were learning from the advanced, finding out their gap, and vigorously catching up with the advanced, gradually took shape in the year.

B. We enhanced the construction of leading bodies. The leading bodies of people's courts at all levels across the municipality were generally reinforced and consolidated. A large number of cadres who are in the prime of life, have both ability and political integrity, and possess higher cultural standards, were selected and promoted to the leading posts of people's courts at all levels. The municipality vigorously grasped the improvement of work style and ideology among the leading bodies at all levels, upheld the democratic centralism, defined the duties among the staffers of leading bodies, enhanced the unity among the leading bodies, and upgraded their fighting strength.

C. We enhanced the reform in the systems of personnel affairs management. In selecting and employing cadres, the municipality paid attention to gradually introducing the competition and encouragement mechanism in this regard and actively explored the systems of personnel affairs management, in which cadres are capable of both higher and lower posts and the survival of cadres will be of the fittest. It also upheld the principle of integrating

the material interest with the administrative achievements and contributions of cadres and policemen and formulated the adequate criterion of appraising achievements and the methods of awarding and punishing personnel. All of these played an active role in awarding the superior, punishing the inferior, and arousing enthusiasm.

D. The construction of contingents focused on improving administrative honesty was strengthened. The education on improvement of administrative honesty was vigorously strengthened. According to the central discipline inspection commission's five regulations on leading cadres' administrative honesty and self-discipline and the supreme people's court's circular on strengthening the improvement of administrative honesty, we worked out and perfected the measures and systems for improvement of administrative honesty, concentrated efforts on consolidating the problems of establishing personnel contacts cropping up in the course of handling cases, generally examined the enforcement of laws and disciplines, and realistically solved the problems of not strictly enforcing laws. We strictly investigated and handled 14 cases of 15 court cadres violating laws and disciplines and actively corrected the practice of accepting bail for probation. To stop producing new corrosive phenomena and unhealthy practices, the municipal higher court worked out and revised "several regulations on leading cadres at various levels opposing corruption and advocating administrative honesty" and "the system of responsibility for the wrong handling of cases." The number 1 criminal court that won the collective merit citation as well as some advanced examples in doing solid and arduous work and making selfless sacrifice, including the national court model Liu Shanlin, were commended in a timely manner.

E. The improvement of professional ability and standardizations was strengthened. Eleven training classes for more than 800 cadres and policemen were organized. Through vigorous investigation and study, a preliminary investigation and study network was set up in the municipal court department. More than 50 reports on investigation and study findings were applied by the state science and technology commission, the supreme court, the leading organs under the municipal party committee, and relevant publications. The study on the new situation and new problems relating to the judicial work was strengthened. The municipal higher court convened 20 symposiums of various types and worked out 13 documents guiding the judicial work.

In the past year, although the people's courts at various levels across the municipality made appropriate achievements, some problems still remained. The major indicators were that some leading cadres and judicial personnel were not suitable to the development of the socialist market economic system in terms of their understanding and law enforcement levels. Some cases were not handled in a high quality manner and longer periods of time were spent on hearing some cases. The new categories of

cases and the new situation cropping up in the course of developing the socialist market economy were not extensively investigated and studied. Some weak links in the management of contingents and the improvement of administrative honesty still existed. The cadres and policemen's political integrity and professional abilities needed to be further improved. These problems should conscientiously be solved and improved in the future.

Fellow deputies:

Along with the setup of the socialist market economic system and the socialist legal system, a large number of new laws will be formulated this year. There will be increasingly more cases to be directly heard by the people's courts. The judicial work tasks will become heavier. The people's courts at various levels across the municipality should take Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics as a guidance; conscientiously implement the guidelines of the national political and legal work conference, the national meeting of higher court presidents, and the second (enlarged) plenary session of the sixth municipal party committee; further strengthen and reform the people's court work to meet the requirements for setting up the socialist market economic system; persist in the strategic principle of "taking a two-hand approach and being sure that both hands are tough;" strictly enforce laws; improve the law enforcement levels; go all out to maintain social stability; promote the improvement of administrative honesty; and provide legal guarantees and service for speeding up the municipality's reform, opening up, and modernization.

In the new year, the people's courts at various levels across the municipality should closely rely on the leadership of the party committees at various levels, consciously accept supervision by the people's congresses and the masses, do their duties, bravely do pioneering work, work arduously, strive to be first-grade courts in the country, bring into full play the trial functions, and make new contributions to stabilizing society and accelerating the municipality's reform, opening up, and economic construction.

Tianjin Construction Project in 'Full Swing'

OW1004045294 Beijing XINHUA in English 0154
GMT 10 Apr 94

[Text] Tianjin, April 10 (XINHUA)—A housing construction project is now in full swing in north China's Tianjin city in an effort to let more low-income families move into better apartments and more than 750 households with housing difficulty have already moved into new homes since mid-March.

According to an urban housing official, the city government earmarked 100 million yuan to build a number of living complexes last year.

These houses were mainly sold at a price rate 30 percent lower than market prices to urban residents who have an average living space per capita of less than four square meters.

As part of the project, the design of these apartment buildings stresses practical, multi-functional living facilities.

This year, another three million square meters of such housing will be built in urban areas, the official said.

Talking about the rebuilding and repair of old and dangerous houses, the official said, more than 83,000 homes in Tianjin have benefited from such projects since the year 1987.

Together with the newly-built apartment houses, the city's average living space per capita now has jumped to 6.9 square meters from 3.3 square meters in 1978, although this is still much lower than the country's urban average.

While focusing on expansion of average living space, the official said, the city also has made great efforts to improve the living environment.

Every newly-built living complex or living quarters now is equipped with fine water, heat and electrical supply facilities, he said.

Emphasis has also been placed on green land as part of housing planning. In one living complex with a population of 51,000 residents, for example, the average per capita area of green space reaches 1.76 square meters.

"We cannot let the common residents March into the 21st century in shabby and dangerous homes," said city Mayor Zhang Lichang.

Following the nationwide campaign to improve the living conditions of low income families, the municipal government also framed a better-off-housing program last year.

It planned to spend three years or more to build more than 10 million square meters of apartment houses equipped with advanced living facilities.

And within the coming five or seven years, nearly 10 million square meters of dangerous and shabby housing in the downtown area will be replaced by new houses and new financial and business centers.

At the same time, about 25 million square meters of new housing would be added, and the average living space would reach eight square meters, the urban housing official said.

The program has started to take effect. The design work of four living complexes has already been completed and ground has been broken for the construction of 1.65 million square meters of housing this year.

According to the official, an estimated investment in the better-off-housing project totals about 15 billion yuan.

To attract more funds, both domestic and overseas, the city government will improve the management of land for housing construction. And the building materials will be supplied at government-set prices.

The same preferential policies will be offered to overseas investors, according to the official.

In 1993, overseas investment in housing construction reached 700 million U.S. dollars.

And the amount the city received in the first two months this year topped 500 million U.S. dollars.

According to an urban construction planning official, the better-off project is a comprehensive one involving the residents' views on living style, their real income and many other management problems of urban development.

And Tianjin is ready to take measures to reform the current housing system and further expand the real estate market in order to quicken the pace of the housing drive.

Northeast Region

Heilongjiang Official Seeks Stable Grain Price

SK0904092794 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 8 Apr 94

[Text] In light of the new circumstances emerging in the province's current grain and cooking oil markets, Vice Governor Sun Kuiwen pointed out at the 8 April provincial emergency telephone conference on stabilizing prices and market supply of grain: Governments at all levels should adopt resolute measures to further stabilize grain and cooking oil prices. Grain and cooking oil prices have gradually gone up since late March. In particular, there has been a relatively big fluctuation in grain and cooking oil prices recently.

Vice Governor Sun Kuiwen pointed out: The current price fluctuation on grain and cooking oil markets have primarily resulted from the price increase in other provinces and from the state's hiked grain procurement prices. It is by no means caused by the lack of grain and processing capacity. There is an extremely ample supply of grain and a good assortment of grains in the province. By the end of March, the province has laid up 24.5 billion jin of grain. This amount of stored grain is capable of meeting the demands for two years or so, if calculated according to the province's consumption in a normal year. Of this, the stored soybean is 3 billion jin, that can produce 450 million jin of soya-bean oil, also capable of meeting the province's consumption of more than 2 years. Therefore, the provincial government hopes that the vast numbers of grain producers, dealers, and consumers will clear their minds of doubt, have a

correct understanding of the grain and cooking oil markets situation, and overcome the abnormal mentality.

Vice Governor Sun Kuiwen demanded: All localities in the province should strengthen market management, resolutely check the rising trend of prices of grain and cooking oil, and stabilize prices. All localities should give full play to the role of state grain departments as the main channel to ensure the supply of grain. Grain and cooking oil processing enterprises should ensure the quality of finished grain products and cooking oil products in line with market demands and should ensure the timely supply. All grain shops should improve grain dealing business. Efforts should be made to ensure the supply of grain and cooking oil to large- and medium-sized cities, to industrial and mining areas, and to poverty-stricken areas. Continued efforts should be made to ensure the supply of grain and cooking oil to colleges, universities, and secondary specialized schools as well as to the troops. New methods should be carried out in terms of grain and cooking oil prices. The provincial government has decided to comprehensively set the market supply prices by giving consideration to the necessary factors of all counties and cities. All grain departments and all other units and individuals dealing grain and cooking oil must follow the grain and cooking oil prices set by local governments and must hang out their shingles to sell grain and cooking oil. At the same time, the grain and cooking oil prices in all localities should not be higher than the 4 April local price levels of other varieties. In addition, all departments should coordinate with one another to resolutely and severely deal with all price violation behaviors. All localities should strengthen leadership and establish strict responsibility system to successfully stabilize the grain and cooking oil prices.

Jilin Secretary Discusses United Front Work

SK0904063594 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 8 Apr 94

[Excerpt] The provincial united front work conference was held in Changchun on 8 April. At the conference, the guidelines of the national united front work conference were relayed and implemented, and demands were set on the province's united front work in the future.

He Zhukang, secretary of the provincial party committee, attended the conference and made a speech. He said: The party's united front work is extremely important to the new historical period. Major indicators are: The scale of the united front work is even wider, tasks even more important, and [words indistinct]. Thus, the united front work can only be strengthened rather than being neglected. The goal of the united front work lies in mass unity and mass alliance. By unity and alliance, we mean making friends with people on all sides. To make friends in an even better way, cadres on the united front are required to have new methods and new knowledge that are commensurate with the economy and trade. Without the knowledge on market economy and on new

and high technology, it will be very difficult for cadres to do the united front work well. United front cadres must not only study Comrade Deng Xiaoping's theory on the socialism with Chinese characteristics but also study the theory on market economy and the knowledge in various other aspects so that they can raise the united front work in the new period to a new level. [passage omitted]

Liaoning Defines Tasks for Economic System Reform

SK0904101194 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 7 Apr 94

[Text] Liaoning Province has defined its major tasks for conducting reform in the economic systems this year, which are as follows: A good job should be done in emphatically conducting reform among the state-owned large and medium-sized enterprises. Continuous efforts should be made to shift the operation mechanism of enterprises and to actively explore the method of establishing modern enterprise systems. Except for the four enterprises selected by the state for the pilot work of establishing modern enterprise systems, the province will select 10 other enterprises to take up the pilot work in this regard this year. Various cities may also select their enterprises that have conditions in this regard to take up the pilot work. In line with the company system, we should carry out classified combination among enterprises that have conditions in this regard. A good job should be further done in conducting the pilot work of enforcing the share-holding system and efforts should be made to continuously increase the province's number of shares that can be sold at the stock markets. All advanced enterprises will be reorganized this year in line with the principle and standard of modern enterprise systems. Efforts should be made to establish new enterprise mechanism and to comprehensively push forward the reform in the property right systems of small enterprises so as to promote the optimization and combination of essential factors of production.

Liaoning Seizes Illegal Mobile Telephones

SK0904120594 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 7 Apr 94

[Text] Liaoning Province has scored marked achievements in clearing up illegal mobile telephones. It has discovered 1,399 illegal mobile telephones users in 13 categories. In the past, some supply and marketing units have imported a large number of mobile telephones of various styles in spite of state regulations. Such telephone systems caused serious interference to radio and television broadcasting and to other radio facilities, about which the society lodged a strong complaint. Since the beginning of 1993, six units, including the provincial radio management committee and the provincial post and telecommunications bureau, jointly with localities throughout the province, started their work of ferreting out and handling the illegal mobile telephones. Various cities have basically been kept informed of the sale and

usage of mobile telephones in their own localities by adopting various measures. Benxi city has cleared up and consolidated the sale markets and had six stores sealed up because they had seriously violated the regulations and refused to mend their ways despite repeated admonition. Dalian city confiscated mobile telephones from 78 illegal users. The cities of Shenyang, Anshan, Tieling, and others have also adopted active measures to check the illegal mobile telephones. Through the large-scale activities of check, the province's radio environment has been purified and the interference encountered by the radio and television broadcasting stations and other radio facilities has achieved an obvious turn for the better.

Liaoning Makes Progress in Price Reform

SK0904085394 Shenyang LIAONING RIBAO in Chinese 25 Mar 94 p 2

[By reporter Zhang Xuejun (1728 1331 6511): "Our Province Makes a Fairly Big Stride in Price Reform"]

[Text] Our province has achieved substantial progress in conducting price reform along the orientation of the socialist market economy, made big strides in changing the pricing mechanism and readjusting the pricing structure, strengthened the price monitoring work and the price regulation and control work, and effectively checked the inflation trend and the act of arbitrarily raising prices and pooling funds, donations, and fees.

We have strengthened the building of pricing monitoring network and enhanced the ability to cope with the changes in market prices. Liaoning Province's initially built price monitoring network has monitored the macroeconomic situation of the whole province and the changes in the prices of essential means of production, farm and sideline products, and consumer goods after pricing reform was carried out in various cities and counties. Through tracking and monitoring the situations in 14 large commercial enterprises, six wholesale markets, and 10 large production enterprises across the province, this network has provided reliable information and policymaking basis for governments at all levels to keep abreast of the local pricing situation in a timely manner, to grasp the price reform strength, and to select major pricing reform items. In March last year, the prices of eggs continued to decline and were lower than the production cost in some cities. On the basis of carrying out monitoring work, Shenyang and Yingkou Price Bureaus studied countermeasures, urged the governments to purchase and store eggs for future use, and succeeded in raising the prices of eggs within a short period of time and avoiding the situation of stopping to raise chicken.

We have improved a guiding mechanism in which the prices are formed mainly by the market, and cultivated the markets to ensure their sound development. Our provincial pricing departments have regarded entering the market as a strategic task for establishing the new

price regulation and control system. The pricing departments across the province have entered and stationed in 58 means of production, real estate, and farm produce markets. The price inspectors stationed in the markets have publicized the state commodity price laws and regulations, and pricing policies, promulgated and disseminated relevant pricing information, participated in market construction, and supervised units entering the markets and businessmen to observe the state pricing laws and regulations. Pricing departments at all levels have also actively coordinated the prices in various trades and guaranteed that commodity prices were kept relatively stable within a certain period of time.

We have applied economic, administrative, and legal means to regulate and control the market prices. At present, price regulation funds have been established in 12 cities and 21 counties. Last year, we invested 50 million yuan in stabilizing the prices of some major nonstaple foods whose cost rose or declined suddenly, the market prices of major nonstaple foods during festive days, and the prices of commodities essential to people's life, stabilized the prices of the "vegetable baskets," and ensured that the prices are linked with the price index control target.

Last year, following the decontrol of meat, vegetable and coal prices in the province, 14 cities across the province generally decontrolled the marketing price of grain. Most of the prices of commodities under the management of provincial and city authorities had been decontrolled. Considering the province's total purchase of agricultural products, 90.4 percent of the products were purchased at market adjusted prices, of the total retail sales of commodities, 96.6 percent of the commodities were sold at market adjusted prices, and of the total sales of the means of production, 87.4 percent of the products were sold at market adjusted prices, and these three figures were higher than the national average. Thus, we have initially formed a new price operational mechanism with market adjusted prices as the mainstay. The adjustment of prices of railway transport, freight transport, electricity, oil products, state-allocated timber, and of bus tickets and tap water supply of some cities has played an active role in alleviating the difficulties in our province's basic industry and promoting a more rapid development in the national economy.

Liaoning To Launch Water Resources Campaign

OW0804140694 Beijing XINHUA in English 1319
GMT 8 Apr 94

[Text] Shenyang, April 8 (XINHUA)—North-east China's Liaoning Province will launch a massive campaign to build new reservoirs and river diversion works, in a bid to remove the ever-worsening water shortages.

On top of the agenda are four huge reservoirs—Guanyinge, Dongfeng, Baishi and Yanwangbizi—the first of which will be able to hold 950 million cubic m of water, official sources here said.

River water will also be diverted into Jinxi and Dalian, to relieve the water shortages in the two major manufacturing cities in the province.

Another diversion project is planned to start in 1998 to supply 1.88 billion cubic m of water a year to the western part of the province from the eastern.

As one of the Chinese provinces with the largest industry, Liaoning's available water resources per person are only one-third of the national average. Its industry is losing 10 billion yuan a year from water shortages, according to the sources.

The province plans to invest as much as 11 billion yuan in these projects, which will be completed by the year 2010.

To secure its water demands up to the year 2030, Liaoning also plans to divert water from neighbouring Heilongjiang and Jilin provinces, the sources said.

Dalian Cracks Down on Cigarette Smugglers

SK0904053794 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 7 Apr 94

[Text] The border-defense police brigade stationed in Dalian development zone cracked down on an appalling case of smuggling cigarettes. As soon as receiving the report given by the masses at 2300 on 31 March, the border-defense police brigade in the development zone under the Dalian border-defense police detachment launched an urgent attack and seized a large amount of smuggled cigarettes at Dongsiergou cargo transferring point in Meiyaozi village of Dalian development zone in the early morning of 1 April. The brigade also detained the three trucks loaded with smuggled cigarettes; arrested on the spot the smugglers, including (Chen Aiqing), (Zhu Ruishan), and (Li Shulin); and brought them to justice. It seized more than 600 cartons of cigarettes worth almost one million yuan. The case is being further handled.

Northwest Region

Gansu Discipline Commission Convenes Enlarged Session

HK0904053594 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 28 Mar 94

[Text] Over the past year, Gansu's anticorruption struggle has scored some initial successes with the result that the province has now wiped out some of its notorious malpractices.

Since last August, all levels in Gansu have conscientiously carried out three anticorruption tasks outlined by the central authorities, with the result that a total of 712 leading cadres have confessed and rectified their wrongdoings. Of a total of 391 leading cadres with concurrent jobs in various economic entities, some 261 have resigned one of their two jobs.

In the September-December period of 1993, the discipline inspection and supervision organs at all levels in Gansu investigated and handled a large number of major and serious cases in a timely fashion. They filed for investigation and prosecution a total of 610 law-violation and discipline-violation cases involving a total of 94 cadres at the county or provincial department section level, and a total of 10 cadres at the prefectural or provincial department level, 54.48 percent of which have now been wound up. They conscientiously investigated and severely handled a batch of major economic cases, including 167 cases involving 10,000 yuan or more each, and recovered economic losses worth 12.8 million yuan.

The provincial discipline inspection commission held its enlarged second plenary session yesterday to sum up the province's anticorruption struggle over the past year and made arrangements for the province's discipline inspection and supervision work in 1994.

Sun Ying, the provincial party committee deputy secretary, and Yang Huaxiao, provincial party committee standing committee member and provincial vice governor, attended yesterday's enlarged plenary session.

Gansu Establishes Five Nonferrous Metal Bases

*OW1004045094 Beijing XINHUA in English 0125
GMT 10 Apr 94*

[Text] Lanzhou, April 10 (XINHUA)—Five major nonferrous metal bases have taken shape in Gansu Province of northwest China with state assistance during the past decade.

Last year, the output of nonferrous metals in the province was nearly 400,000 tons, 95 percent of which came from the five bases, and the amount accounted for 12 percent of the country's total nonferrous metals output.

Dozens of rare earth materials and nonferrous metal products, including silver, copper, aluminum, lead, zinc, barium, nickel and cobalt, are being sold on world markets.

Local government officials attribute the achievement to the state's large sum of investment during the past decade when the central government injected some five billion yuan (about 574.7 million U.S. dollars at the present exchange rate) to upgrade such metals manufacturers.

Ningxia Region's Environmental Efforts Reported

*OW0904123794 Beijing XINHUA in English 1001
GMT 9 Apr 94*

[Text] Yinchuan, April 9 (XINHUA)—The remote Ningxia Hui Autonomous Region in Northwest China has kept up its tradition of caring for the environment and made great achievements in controlling industrial pollution in cities and preserving the good ecological environment.

Located in the arid and semi-arid area, Ningxia has a population of 4.9 million, one third being of the Hui nationality.

The Hui people are well known for personal hygiene and like to grow flowers, lawns and trees.

"It is their good habit and tradition that have made it easy for the regional government to push through its environment protection measures," said Sun Ningzhang, director of the Ningxia Hui Autonomous Regional Environment Protection Agency.

Sun noted that the rapid economic development has inevitably caused pollution. To control it, the regional government has worked out a package of rules and regulations while building a number of pollution prevention and control facilities.

All these have got enthusiastic support from the local people.

A survey shows that the regional capacity of treating waste water has doubled, and that of treating waste gas increased by 45 percent.

So far the region has transformed 267,000 hectares of sandy land and 8,390 square kilometers of areas suffering from soil erosion.

In addition, the region has planted trees on 267,000 hectares of hilly areas and set up some nature reserves of animals and plants.

Qinghai Emphasizes Protecting Power Installations

HK0904052394 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 28 Mar 94

[Text] The second provincial power installations protection work conference was recently convened by the provincial public security department and the electric power industry bureau.

Thanks to faster hydropower resource exploitation, the province's electric power industry has witnessed an unprecedentedly fast growth, resulting in the construction of more power installations across the province in the past year. Thus, protecting power installations has become a pressing issue confronting the province's electric power and public security departments.

The conference revealed: In 1993, a total of 121 cases of stealing or sabotaging electric power installations occurred, 49 of which were major and serious cases, inflicting direct economic losses of about 400,000 yuan. A growing number of similar cases occurred in the first quarter of this year compared with the same period of last year, some posing a real threat to the province's normal production.

The conference participants unanimously held: At present, it is imperative to conduct exhaustive education on the importance and urgency of protecting power

installations by proceeding from the overall interests of social stability; properly solve such problems as power supply disputes between adjacent counties and between adjacent villages; properly handle, by seeking government assistance, such incidents as besieging power plants, beating and abusing power plant staff and workers, and other similar incidents; step up investigations as well as crackdowns on such criminal activities as theft or sabotaging power installations and other similar activities; and make redoubled efforts to rectify the salvage market with an eye on blocking the source of income of the criminals.

The conference urged public security organs at all levels across the province to assist security departments of the electric power organs in strengthening safety management of large power plants, large power stations, large transformer substations, and key power supply lines; rectify and maintain social order in adjacent villages; and take full precautions against the outbreak of similar incidents in the future.

Qinghai To Boost Telecommunications Development

*OW1204030194 Beijing XINHUA in English 0240
GMT 12 Apr 94*

[Text] Xining, April 12 (XINHUA)—Northwest China's Qinghai Province will invest more than 200 million yuan in telecommunications construction this year.

Telecommunications service in Qinghai, an inland province, is underdeveloped at present.

Chen Jian, deputy director of Qinghai's provincial posts and telecommunications, said that the investment will mainly be used to transform the telephone networks in Xining city and Golmud city as well as seven counties in eastern Qinghai.

The state has approved Qinghai's use of 10 million U.S. dollars in Australian Government loans and introduction of 78,000-line program-controlled telephone exchanges from Alcel of Australia.

The local government in Qinghai will be responsible for raising more than 100 million yuan for the project, Chen added.

According to the Qinghai provincial posts and telecommunications plan, the number of telephone lines in Xining city will increase from the present 25,000 to 74,000 by the end of this century.

In Golmud city, telephone lines will increase from the present 2,000 to 12,000.

The total telephone lines in the province will increase from the present 30,000 to 140,000.

Now Qinghai is planning to undertake several projects to install fiber optic cables and two satellite telecommunications lines.

Qinghai Township, Town Enterprise Conference Ends

HK0904052494 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 28 Mar 94

[Excerpts] A provincial township and town enterprises work conference ended on 24 March.

The conference called on all comrades to work hard and strive to raise the province's total township and town enterprise output value to 1.4 billion yuan, total township and town enterprise income to 1.35 billion yuan, and the total amount of taxes and profits realized by township and town enterprises to 140 million yuan.

The conference also urged all comrades concerned to make redoubled efforts to comprehensively improve township and town enterprise quality; upgrade township and town enterprise products; and increase township and town enterprise economic efficiency. [passage omitted]

Provincial Vice Governor Ma Yuanbiao delivered a speech in which he stated: 1993 saw rapid township and town enterprise growth in Qinghai with the result that the province's total township and town enterprise output value exceeded 1 billion yuan, reaching 1.12 billion yuan; total township and town enterprise income reached 1.08 billion yuan; and the total amount of taxes and profits realized by township and town enterprises topped 105 million yuan.

Vice Governor Ma Yuanbiao maintained: So long as we adhere to reform and opening up, implement correct policies, adopt effective measures, dare to scale new heights, cultivate a pragmatic work style, and work in a down-to-earth manner, we will certainly be able to more rapidly develop township and town enterprises in remote, border, and economically backward areas. Moreover, he stated, areas where conditions allow should also waste no time in developing foreign-funded enterprises, tertiary industry, and labor services export. [passage omitted]

Government Reacts To U.S. Sanctions for Wildlife**Presidential Office Comments**

*OW1204084994 Taipei CNA in English 0802 GMT
12 Apr 94*

[By Sofia Wu]

[Text] Taipei, April 12 (CNA)—It is extremely unfair for the United States to sanction Taiwan for its alleged continued trade in forbidden wildlife products, a Presidential Office spokesman said Tuesday [12 April].

"The Republic of China [ROC] has not lagged behind other countries in preservation of endangered species," Raymond Tai, deputy secretary-general to the president, said after learning that U.S. President Bill Clinton issued an order on Monday prohibiting import of wildlife species and products from Taiwan in retaliation for Taiwan's failure to stop illegal trade in rhino horns and tiger bones.

"We have made enormous efforts to protect wildlife and have launched massive crackdowns on illicit wildlife product trade in recent years," Tai stressed. "The U.S. should not have used outdated data and photos to back its charges against Taiwan."

Tai reaffirmed Taiwan's commitment to stamping out illegal wildlife trade, saying the Legislative Yuan will soon pass a package of amendments to the wildlife conservation law that significantly increase penalties for offenders.

Premier Lien Chan also blasted the U.S. sanctions as "unjust and unfair," saying the U.S. should take note of Taiwan's progress in wildlife conservation and reconsider its decision as soon as possible.

Lien also ordered the Council of Agriculture (COA) to present within two weeks a comprehensive program for consolidation of rhino horn and tiger bone stocks, crackdown on illicit wildlife trade, wildlife product examination and conservation manpower training.

The COA has set up a special task force to intensify crackdowns on wildlife trade. COA officials said the United States has agreed to negotiate with Taiwan over wildlife trade issues. If the Legislative Yuan can pass the conservation law soon, the officials said, the U.S. may shorten the period of trade sanctions on Taiwan.

Ministry Expresses 'Deep Regret'

*OW1204074694 Taipei CNA in English 0711 GMT
12 Apr 94*

[By Y.C. Tsai]

[Text] Taipei, April 12 (CNA)—The Ministry of Foreign Affairs issued a three-point statement Tuesday [12 April] expressing deep regret and dissatisfaction over the U.S. imposition of trade sanctions on Taiwan's wildlife products.

On Monday, U.S. President Bill Clinton issued an order prohibiting import of wildlife specimens and products from Taiwan in retaliation for Taiwan's alleged continued trade in rhino horns and tiger bone.

The Foreign Ministry called the sanctions "obviously unfair and unjust," and criticized Washington for ignoring Taiwan's effort in wildlife conservation, which "is far greater than that of the neighboring countries or areas in this region."

The ministry, however, reiterated that Taiwan remains "determined and committed to the cause of wildlife conservation in spite of the unilateral U.S. sanctions."

Moreover, the ministry urged all ROC [Republic of China] citizens "to recognize the global trend of conservation and comply with the pertinent laws and regulations in full cooperation with the government by refraining from smuggling, trading, consuming, exchanging, or possessing endangered species and their derivatives so as to dissolve the international pressure of sanctions."

The sanctions will reportedly result in U.S.\$20 million to U.S.\$25 million in annual losses for Taiwan and will limit exports of farmed crocodile skins, orchids and farmed coral, local trade officials said.

Sanctions will take effect in 30 days and will continue until December 1994, when the U.S. will review conservation programs in Taiwan and decide whether to extend the import prohibitions.

Representative to U.S. Responds

*OW1204075794 Taipei CNA in English 0655 GMT
12 Apr 94*

[By T.C. Hu]

[Text] Washington, April 11 (CNA)—Representative Ding Mou-shih of the Coordination Council for North American Affairs Monday [11 April] expressed deep regret at the U.S. decision to impose trade sanctions against Taiwan for its alleged trade in endangered species parts and products.

"It is deeply regrettable that the United States has decided to rush ahead with sanctions against (Taiwan), despite the recommendation by the Standing Committee of the United Nations Convention on International Trade in Endangered Species (to postpone sanctions)," Ding, head of Taiwan's non-official representative in the U.S. said in a statement.

He said that Taiwan has made aggressive efforts to eradicate the trade in endangered species, adding that "we are concerned that sanctions will cause an unnecessary negative reaction on the part of our people."

Ding added that the Executive Yuan has approved amendments to Taiwan's wildlife conservation law that significantly increase punishments for those convicted of

trafficking in endangered species, and that these amendments are expected to be passed by the Legislative Yuan soon.

Taiwan has been conducting an island-wide crackdown on establishments suspected of selling rhino horn and tiger parts, he said. Of the 519 shops that have been investigated so far, six were found to be selling products containing rhino horn powder and 22 were found to be selling tiger products, he added.

Ding reiterated Taiwan's commitment to eradicating the trade in endangered species, and said he believes that dialogue and cooperation rather than sanctions are the best means of achieving progress toward the elimination of endangered species trade.

Minister, GATT Director-General View Taipei Entry

*OW1204082794 Taipei CNA in English 0721 GMT
12 Apr 94*

[By M.C. Tzou and Sofia Wu]

[Text] Marrakech, Morocco, April 11 (CNA)—The Republic of China [ROC] is welcome to join the General Agreement on Tariffs and Trade (GATT) as soon as possible, GATT Director-General Peter Sutherland said here Monday [11 April].

Sutherland made the statement while meeting with ROC Economic Affairs Minister P.K. Chiang at a reception given by the Moroccan Government in honor of delegates from some 150 countries to a GATT ministerial meeting scheduled to open here Tuesday.

As Taiwan is a major trading country, Sutherland said he believes Taiwan's accession to GATT will help boost the healthy development of a world trading system.

Sutherland further said Taiwan's GATT membership application has nothing to do with Mainland China's.

"They are two separate cases and are being screened by two different working groups," he explained.

"So I think there is no such problem as which side of the Taiwan Strait should join GATT first," he said. "Either side which can win the support of two-thirds of GATT contracting parties will enter the body first," he added.

Taiwan applied to join GATT as a separate customs territory in 1990 and was awarded observer status in the world trade regulatory body in 1992. It hopes to become a full member by the end of this year. Mainland China, which applied for GATT membership in 1986, is also a GATT observer.

Chiang, heading a 15-member delegation, arrived here Sunday to attend the four-day GATT ministerial meeting, which will set the seal on a sweeping new world trade treaty, also known as the Uruguay Round accord.

While here, Chiang will hold informal tariff concession talks with delegates from the Australia, Belgium, Brazil, Canada, Egypt, New Zealand, Singapore, Switzerland, and the United States with a view to accelerating Taiwan's entry into GATT, which is scheduled to be superseded by the World Trade Organization next January.

Economic Minister on Avoiding Super 301 Action

*OW1004134594 Taipei LIEN HO PAO in Chinese
2 Apr 94 p 19*

[Text] The 1994 report on foreign trade barriers, published by the U.S. Trade Representative [USTR], gives a positive evaluation on the overall measures taken by the Republic of China [ROC] to open its markets. Commenting on the USTR's report, Minister of Economic Affairs Chiang Ping-kun said on 1 April: As the ROC's trade surplus against the United States has been significantly reduced and tariffs on some industrial products have been cut to the level of advanced countries, our country should be able to avoid facing the U.S. Super 301 action.

The minister added: The ROC's efforts at protecting intellectual property rights [IPR] should be affirmed. Last year the problem of imitation was not as serious as in previous years, and exports of replicas decreased considerably. Our country should be dropped or downgraded from the special 301 priority observation list.

The USTR report's section dealing with the ROC consists of seven major categories, including import policy, testing standards, government procurement, IPR protection, service trades, and investment.

According to the Board of Foreign Trade, so far as tariffs are concerned, the United States takes note of the ROC's progress in lowering import duties, but still maintains that those on farm products and automobile parts are overly high; in IPR protection, Washington views the situation in the ROC as having improved, but believes that serious problems remain in implementation. Moreover, Washington regards the ROC's fourth TV station's unauthorized relay of satellite programs as a very serious problem; and it deems the ROC's patent reviewing system as not yet totally open.

The USTR's report shows deep concern over the ROC's financial service trade, investment barriers, monopolistic measures, and telecommunications service. Take, as examples, the U.S. Mutual Insurance Company's inability to set up a branch office in Taiwan, the ban on insurance companies setting up subsidiaries in Taiwan; the restrictions on investing in domestic insurance companies, and the ban on investing in housing and real estate.

The minister said: Taiwan's trade barriers, such as high tariffs on certain products and restrictions on imports to certain areas, have been included in the agenda of negotiations with the General Agreement on Tariffs and Trade [GATT]; and they will be resolved once the

negotiations for GATT membership are completed. Therefore, Taiwan should be able to avoid facing Super 301 action.

MAC Suspends Cross-Strait Cultural Activities

*OW1204080494 Taipei CNA in English 0715 GMT
12 Apr 94*

[by Danielle Yang]

[Text] Taipei, April 12 (CNA)—The cabinet-level Mainland Affairs Council (MAC) announced Tuesday [12 April] that it will temporarily suspend all government funded cultural and educational activities with Mainland China.

The Education Ministry also announced it will no longer accept applications for mainland artists to perform in Taiwan.

MAC Vice Chairman Su Chi said resumption of cross-strait cultural and educational activities will depend on how Beijing responds to a mysterious boat fire in Mainland China in which 24 Taiwan tourists died.

Some of the activities affected by the suspensions include a planned visit by a mainland printing industry group and a delegation of presidents from ten Chinese medicine institutes.

A trip to the mainland by members of Taiwan's mass media will also be cancelled.

Meanwhile, Taipei Association of Travel Agents President Hsu Chin-jui said the MAC will announce an all-out travel boycott against Mainland China within one or two days.

Hsu said the travel association will cooperate with the boycott and urged all other travel agents to join.

Ministry: Cross-Strait Trade Exchanges 'on Hold'

*OW1204081294 Taipei CNA in English 0732 GMT
12 Apr 94*

[By Lilian Wu]

[Text] Taipei, April 12 (CNA)—Cross-Taiwan Strait trade exchanges will be put on hold in the wake of a mysterious boat fire in Mainland China in which 24 Taiwan tourists died, the Economics Ministry said Tuesday [12 April].

Economic officials said all normal exchanges will be suspended until Beijing settles the incident reasonably.

They added they will suspend the review process for Taiwan applications to invest in the Mainland and will also prohibit imports of mainland goods.

The officials said plans to allow the visit of mainland economists and entrepreneurs will also be put on hold.

Vice Economic Affairs Minister Yang Shih-chien said that the ministry will make the adjustments in line with a policy mapped out by the Mainland Affairs Council (MAC).

Yang added that he did not know how long the prohibitions will last.

Meanwhile, the Board of Foreign Trade (BOFT) Monday said it will suspend the approval process for imports of semi-finished products from the mainland.

Since Premier Lien Chan unveiled an economic stimulus project last July, Taiwan has approved the import of 1,788 semi-finished products from the mainland, BOFT officials said.

Semi-finished products approved before the suspension will still be allowed into Taiwan, they noted.

Taipei, Beijing Agree To Talks on Tourism

*OW1204143094 Taipei CNA in English 1343 GMT
12 Apr 94*

[Text] Taipei, April 12 (CNA)—In the wake of the Lake Qiandao disaster, Mainland China has agreed to a Taiwan request to hold talks on the protection of Taiwan tourists, investors and their property on the mainland as soon as possible, according to vice chairman and secretary-general Chiao Jen-ho of the Straits Exchange Foundation.

Twenty-four Taiwan tourists and eight mainland guides and crew members were found dead in a lower deck cabin of a tour boat on Lake Qiandao in the coastal Province of Zhejiang on March 31. The incident prompted waves of protest in Taiwan because of Beijing's obstruction into investigation of the matter by relatives of the victims and Taiwan reporters.

Tang Shubei, Standing Vice Chairman of the mainland's Association for Relations Across the Taiwan Strait (ARATS), and SEF Deputy Secretary-General Shih Chiping reached the decision in a meeting Tuesday [12 April] in Beijing.

The SEF and ARATS are authorized by Taipei and Beijing to handle cross-strait exchanges.

Tang also agreed that Beijing would more thoroughly investigate the incident. The mainland had earlier claimed the disaster was accidental, but later said sabotage was possible.

Tang expressed the hope that both sides would take necessary measures to minimize the negative impact on cross-strait exchanges brought about by the incident. Taipei on Tuesday announced the suspension of cultural and trade exchanges with the mainland over the tragedy. Many tour agents also announced a boycott of mainland trips.

He said after the meeting that Beijing was concerned about how the investigation into the matter was being

handled, and has instructed relevant agencies, including the Taiwan Affairs Council and Zhejiang Province authorities, to probe more deeply into the case.

Premier on Commitment to No Nuclear Weapon Development

*OW1204141994 Taipei CNA in English 1331 GMT
12 Apr 94*

[By Benjamin Yeh]

[Text] Taipei, April 12 (CNA)—Premier Lien Chan emphasized Tuesday that the Republic of China [ROC] is a peace-loving country and has no plans to manufacture nuclear weapons.

"This is the principle the government has adhered to and it should be understood by the world," Lien said in reply

to an inquiry on the issue by Democratic Progressive Party legislator Chou Po-lung.

Although Chou is an opponent of Taiwan's fourth nuclear power plant project, he nevertheless suggested that the government accelerate the development of nuclear devices as a hedge against the Mainland Chinese threat.

"Peace in the region can be maintained only by the creation of mutual assurance of destruction over the skies of the Taiwan Strait," Chou said.

He said developing nuclear weapons is necessary if Taiwan wants to be independent of Mainland China. He warned, however, that announcing independence without a deterrent force to back up the proclamation would invite disaster.

Hong Kong

XINHUA Official Says Xi Case 'Brooks No Interference'

HK1004080994 Hong Kong TA KUNG PAO in Chinese 10 Apr 94 p 2

[Report: "XINHUA Hong Kong Deputy Director Zhang Junsheng Says Xi Yang Case Is Handled According to Law and Brooks No Interference"]

[Text] Frederick Fung Kin-kee, chairman of the Hong Kong Association of Democracy and People's Livelihood, and its members Lo Cheung-kwok, Leung Kuang-cheung, and Wang Kwok-tong, made an appointment with Zhang Junsheng, deputy director of the XINHUA NEWS AGENCY Hong Kong Branch this afternoon [9 April] and submitted a letter on Xi Yang's case addressed to the Beijing Municipal Higher People's Court.

While talking about Xi Yang's case with Lo Cheung-kwok and his group, Zhang Junsheng said: "I returned from the mainland on a business trip only last night. This morning, I heard that you wanted an appointment with me. To make the meeting as early as possible, we arranged for the meeting this very afternoon. I am sorry for the inconvenience, since it is a weekend.

"Just now you talked about Xi Yang's case. That has been a very unfortunate incident, indeed. I put it that way because none of us hoped to see anyone breaking the law, nor did we hope to see such a penalty meted out for that matter. However, a penalty must be meted out to any lawbreaker according to the law.

"I believe you must have read about a ZHONGGUO TONGXUN SHE dispatch today. This is basically a legal affair. From the related information available to us, we can see that the case in question involved the stealing of state secrets. In handling this case, the judicial department carried out an investigation, enforced custody, and interrogated strictly according to legal procedures.

"Some people say that the reporter 'intruded in an off-limits area by mistake' in the course of normal news coverage, consequently violating the law. Still others think that it was entirely a matter of press freedom. I do not think this is correct. This was by no means normal news coverage. When Hong Kong reporters go to the mainland for news coverage, they have to send an application beforehand. Take our XINHUA NEWS AGENCY Hong Kong Branch for example. We often help Hong Kong reporters conduct news coverage on the mainland. However, we have never received an application from Xi Yang to cover the People's Bank of China, nor have we ever made any arrangements to that end. To our knowledge, Xi Yang had never made any similar application to the People's Bank of China, nor had he gained permission to conduct news coverage on related issues, nor had the People's Bank of China appointed its worker Tian Ye to accept Xi Yang's interview. It follows

that Tian Ye had no right whatsoever to provide Xi Yang with information on related matters. This being the case, this was not a matter of news coverage, not a matter of press freedom, but an issue of violating the law.

"To handle a criminal case according to the law is entirely the responsibility and power of the judicial department, which brooks no interference. It would also be violating the law to interfere with judicial departments in ruling on a case according to the law. It would also be wrong to affect judicial fairness through creating public opinion to add pressure on judicial departments. People should refrain from turning a legal issue into a political one. It is my hope that the British Hong Kong Government will stay away from this matter, which is within the realm of China's sovereignty. On a television newscast, we saw Mr. Chris Patten say 'The closer 1997 approaches, and the greater the number of similar incidents, the more uneasy people will be and the more Hong Kong residents will worry about the future.' Such words are wrong, and intentionally sow discord. Actually, Chris Patten has hinted that Hong Kong residents will increasingly conduct law-breaking activities in the mainland. That is throwing mud at Hong Kong residents."

Regarding the letter submitted by the Association of Democracy and People's Livelihood, Zhang Junsheng said he would relay it to the relevant department.

Columnist Calls Case Warning

HK1204055394 Hong Kong HONGKONG STANDARD in English 12 Apr 94 p 2

[From the "Forum" column: Article by Nihal Jayawickrama, senior lecturer at Hong Kong University: "Don't Let Basic Law Hand China a 'State Secrets' Clause:]

[Text] The secret trial and conviction in Beijing of a Hong Kong journalist and a Chinese bank official for the "theft of state secrets", and the grossly iniquitous prison sentences imposed on them, have focused attention once more on a crude legal and judicial system that refuses to comply with the universally accepted minimum standards of criminal justice.

But even this outrageous abuse of state power does not appear to have alerted the Hong Kong community to the very real probability that, in barely three years, a law identical to that which was invoked to commit these two persons to prison, for the crime of disclosing interest rate and gold transaction changes, may be introduced into our own legal system.

Article 23 of the Basic Law states that the Hong Kong Special Administrative Region (SAR) shall enact a law to prohibit the "theft of state secrets". Today, Hong Kong has its own Official Secrets Act. It is a law that seeks to protect from "damaging disclosure" information relating to "defence", "security", "intelligence" and "international relations". Each of these terms is defined in the law with reasonable clarity. While many may argue against the reach of this law, few would deny the

need to protect these interests even under the most open and democratic system of government.

The Joint Declaration promised that laws previously in force in Hong Kong shall be maintained in the SAR. This implied that a localised version of the Official Secrets Act would continue to operate after 1997. But contrary to that promise, the Basic Law decreed that Hong Kong shall also criminalise the "theft of state secrets". It was thereby made clear that, "one country; two systems" notwithstanding, it was the intention of the Chinese authorities that the unique Chinese socialist law concept of secrecy be applied and enforced in Hong Kong after 1997.

From recent events we gather that apart from relatively trivial information relating to interest rate movements and the sale of gold in the international market, the Chinese judiciary also regards an embargoed public speech of a senior party official as a "state secret". None of these items of information qualifies to be an official secret either in Hong Kong or in Britain today. Indeed, no sanction has ever followed the regular publication of obviously leaked "predictions" of budget proposals. When some years ago the embargoed text of the Queen's Christmas Day speech was published in advance, the only admonition from the palace was a firm declaration that Her Majesty was not amused.

What has emerged, therefore, are two distinctly contradictory conceptions of official information. We believe that the free flow of such information serves not only to check corruption and the abuse of power, but also to increase efficiency and promote accountability. The Chinese authorities, on the other hand, consider the rigorous control of information as indispensable to sustain the essential authoritarianism of their autocratic system. Investigative journalism which is fundamental to one system is obviously anathema to the other.

There has also emerged two substantially different conceptions of the role of the judiciary. Their willingness to proceed in secret, to deny the accused persons their basic right to a defence, and then to impose such grossly disproportionate sentences, only tend to confirm the active role of Chinese judges in strengthening and consolidating the "dictatorship of the proletariat". To even suggest that judges ought not to be subservient to the government, as we believe here in Hong Kong, would probably be tantamount to blasphemy.

Therefore, to enact a law in Hong Kong to criminalise the "theft of state secrets" is to alter significantly the existing Hong Kong system. It will result in placing an almost insurmountable obstacle in the movement towards democracy and autonomy. It will erode the principles of the rule of law and public accountability, and debilitate at least two of our essential institutions: a free press and an independent judiciary. It ought not to be done.

Unlike those who collaborated in the drafting of the Basic Law, a substantial section of today's political

leadership enjoys a legitimacy which they have acquired through popular election or acceptance. If they do not focus on this issue now, history is not likely to look upon them too kindly.

Editorial Upholds Verdict

HK1204040594 Hong Kong WEN WEI PO in Chinese
9 Apr 94 p a2

[Editorial: "He Who Defies the Law Will Surely Be Punished According to the Law—Further Discussion of Xi Yang Case"]

[Text] Relevant departments in Beijing have indicated that MING PAO journalist Xi Yang was charged for his involvement in spying and stealing state secrets on the mainland rather than carrying out normal news coverage or "mistakenly trespassing on the restricted zone." Through another defendant, Tian Ye (bank staff member), Xi Yang spied and stole China's financial and economic secrets in June and July last year. China suffered serious economic losses when the secrets were published in MING PAO. The court holds that Xi Yang's move constituted a crime of spying and stealing state secrets and the case was very serious.

What secrets did Xi Yang spy out? According to information released by the Chinese Government sources last October, the financial secrets stolen by Xi Yang include: Unreleased plans of the People's Bank of China concerning deposit and loan interest rate changes, the decision of the People's Bank of China on participating in international bullion transactions, and other important financial secrets.

According to the Section One of Article 51 of the "PRC Criminal Law" and "Supplementary Provision on Punishing the Crime of Leaking State Secrets," for his crime of stealing state secrets Xi Yang could have been sentenced to a set term of more than 10 years' imprisonment, life imprisonment, or even death, and deprived of his political rights.

Obviously, Chinese judicial organs have tried Xi Yang according to the law because his illegal activities violated China's laws. China is now administering the country by law and anyone who dares to defy the law will be punished.

Since reform and opening up, China has made marked progress in building its socialist legal system, and the officials and inhabitants have enhanced their sense of the legal system. Although China's legal system has yet to be further enhanced and China is proceeding in this direction, the marked progress made by China in this field is known to all. It is puzzling that some political groups in Hong Kong and at the press office where Xi Yang worked totally ignored this. If the remarks made by the outside are excusable owing to the relatively weak links in China's legal system in the past (particularly

during the "Cultural Revolution"), why are people flagrantly trying to blame the move when China has vigorously strengthened its legal system and acted according to the law? Some people are criticizing China every day for its rule by man at the expense of rule by law, saying that there is no judicial independence in China. However, when China is practicing law and independence of the judiciary, they again are making indiscreet remarks, confusing right and wrong, wantonly throwing mud at China in an attempt to meddle in and undermine China's legal system and independence of the judiciary through various channels, and even are calling on foreign forces to interfere in China's internal affairs. What is all this for?

The editorial of a newspaper said yesterday: "According to information released by XINHUA (that is, the aforementioned important financial secrets), it may be secrets and even classified documents to the officials, but it is apparently a piece of news to a journalist. He tries to obtain it as a piece of news material and report it as a piece of news of public interest. This is the professional duty of a journalist." Hence, the paper believes that it will "obtain" the material, which is of news value, whether or not the "government regards it as secret or classified documents" and whether or not it is illegal. Are they not encouraging or even forcing journalists to violate the law (an editorial of a newspaper referred to it by the fine-sounding name of "taking risks in breaking rules")? Naturally, the agency with such a viewpoint is trying to defy the law in mainland China. They regard China's secrets as nothing important, but dare not apply the same method to "obtain" secrets of the Hong Kong or British Governments. Such a dual standard is identical to their concept of news. However, he who defies the law in mainland China will be punished by the law.

The Chinese judicial authorities handled the Xi Yang case according to the law and for his repentance, also sentenced him leniently. As Xi has lodged an appeal, the authorities are making arrangements for the second trial and have approved the defendant's lawyers hired by MING PAO on behalf of Xi Yang. As the case involves state secrets, it will not be tried openly. This shows the reason, as well as legal principle of the judicial authorities.

The recent criticisms by a number of Hong Kong political figures (some are even judges) and by the agency where Xi Yang served that China's judicial system has and will continue to be proved to be wrong. When people from the mainland come to Hong Kong, they should abide by Hong Kong laws. Hong Kong people (including journalists) also should abide by China's laws when they travel in mainland China. This is an important aspect of the "one country, two systems" concept, which has been proved by the Xi Yang case.

Local NPC Delegates Disagree

HK1204060994 Hong Kong HONGKONG STANDARD in English 12 Apr 94 p 3

[By M.Y. Sung]

[Text] Local delegates to China's National People's Congress (NPC) have fallen out over the text of a letter to their chairman Qiao Shi, which requests a detailed explanation of the verdict on jailed Hong Kong journalist Xi Yang. At least one delegate has refused to sign an amended version of the letter, on the grounds that it implied China mishandled the case.

Xi, a Chinese national resident in Hong Kong, was arrested in Beijing late last year on charges of espionage and stealing state secrets. His trial was conducted in secret earlier this year, and the verdict and 12-year sentence were announced last week.

A special meeting of local NPC delegates was held last Friday to discuss the severity of Xi's case. But at least one of the delegates who attended the meeting, surveyor Kan Fook-yeo, refused to sign an amended version of the letter, saying the initial draft had taken a "more neutral" stance on Xi's case.

The letter, drafted by Cheng Yiu-tong, Ng Hong-man and Peter Wong, was circulated among other local delegates. It had asked the NPC Standing Committee to demand that the Beijing Municipal People's Intermediate Court reveal the full text of the verdict against Xi. It also urged that the hearing of Xi's appeal against his sentence be conducted in full accordance with Chinese law.

Mr Kan said the amended version, after other delegates had added their opinions, insinuated that China had mishandled Xi's case. He said he would not sign a letter which took a specific stance on the case, before the Chinese government was given an opportunity to provide a full explanation. Mr Kan argued it was not proper to question the fairness of the Chinese judiciary without being fully aware of the circumstances of Xi's case.

Another delegate and lawyer, Dorothy Liu, said she had noticed differences between the two versions. But she did not think the amended version contained any improper suggestions. Miss Liu had already signed the amended letter which was expected to reach the NPC chairman later this week.

Local NPC Delegates To Petition

HK1104022094 Hong Kong SOUTH CHINA MORNING POST in English 11 Apr 94 p 1

[By Louis Ng]

[Text] Local delegates of the National People's Congress will sign a letter to their chairman Qiao Shi urging that Chinese authorities give a detailed account of the verdict against Hong Kong journalist Xi Yang. The letter

drafted by Cheng Yiu-tong, Ng Hongman and Peter Wong Mankong, is circulating among other local delegates and is expected to be on its way to Mr Qiao early this week. The letter asks the congress' executive committee to press Beijing Municipal People's Intermediate Court to reveal the full text of the verdict that brought Xi a 12-year jail sentence. It also urges for a fair hearing of Xi's appeal in full accordance with Chinese law.

Mr Wong warned that the emotional public reaction may harm Xi's appeal. He also appealed to reporters and legislators not to resort to the British Government for help, saying this would complicate the issue.

A law lecturer yesterday pointed out that China had violated its own statutes when it refused to publish specific offences for which Xi, 38, had been convicted. Lecturer of the City Polytechnic of Hong Kong Priscilla Leung said Chinese law stipulated that these details had to be announced at the time of sentencing. The court, however, had released only a brief statement saying that Xi was to serve 12 years in jail, with a loss of political rights, for "spying and stealing state secrets".

Ms Leung said only very serious circumstances would attract a severe penalty of more than 10 years. She called for a clearer definition of the term "state secret" to put the severity of this offence in perspective and to protect the journalistic profession. She added that there was no specific law to protect journalists under existing Chinese jurisdiction.

Journalist colleagues at Xi's newspaper, MING PAO, and student representatives continued to protest outside the Happy Valley headquarters of XINHUA (the New China News Agency) yesterday. More than 200 representatives of the Hong Kong Federation of Students called for a fair and open trial and respect for press freedom. MING PAO colleagues ended their three-day hunger strike at 10 pm. Other staff distributed 30,000 copies of a 15-page colour special on Xi.

Publisher Wants Legal System Reform

HK1004065394 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 10 Apr 94 p 17

[By Xu Ximin, Hong Kong delegate to the Chinese People's Political Consultative Conference, Preliminary Working Committee member, and publisher of MIRROR magazine: "Urgent Need To Reform China's Legal System"]

[Text] I am shocked and frustrated, especially as a publisher and one who always thought Xi Yang would be released soon. Certainly, he does not deserve such a harsh punishment.

I am not saying he did not breach Chinese law, but what he did do was fully in keeping with his role as a responsible reporter. His wrongdoing, which included

the disclosure of the unpublished interest rate adjustment by the People's Bank of China as well as information about the bank's international gold transactions, did bring some adverse effects to the Chinese economy.

And that was the reason why he was charged with "spying and stealing state secrets". But gathering information through personal contacts is important, especially in Hong Kong where the media is highly advanced.

Every year Hong Kong reporters reveal the Budget in advance. The Government may face economic losses since this news allows people to prepare for its new measures. But no reporter has been punished for such disclosures. The idea in reporters' minds is they will be the best journalist if they reveal accurate and exclusive information.

In addition, the "damage" Xi did was very little when compared with some unscrupulous mainland bank officials, who illegally lent money to others and disrupted the economic order in China. Chinese Vice Premier Zhu Rongji still gave lenient treatment to them by letting them off without any criminal charges.

So why should the authorities sentence Xi to such a heavy jail term? I explained these points to officials of the Beijing Municipal People's Procuratorate and they agreed. They also told me Xi had not spied for any foreign country or used the unpublished information for business purposes.

These were the reasons why I was previously optimistic Xi would be released or, at least, only receive a light sentence.

Twelve years in jail is too heavy a penalty. What we must do is hope for a lighter sentence after the appeal.

The case itself shows the backwardness of the Chinese legal system, which is in urgent need of reform. The Chinese judiciary has failed to comply with the basic principle of a fair trial that justice should not only be done, but seen to be done.

I believe the case was dealt in accordance with Chinese law but people may doubt that. The trial was not open to the public, even Xi's family and his employer Ming Pao were not allowed to listen, and no details about the hearing have been released.

Although authorities defended this because the case related to state secrets, they should have at least announced the start and end of the trial and its result.

The Chinese Government should be able to release more details on the Xi Yang case without breaching the principle of not disclosing state secrets. And it should allow Xi's family to visit him, and let some Hong Kong representatives, like the local delegates to the Chinese People's Political Consultative Conference or National People's Congress, to be present. That would also help restore Hong Kong people's confidence in the mainland legal system.

Now it is inevitable local journalists will be psychologically affected by the case, worrying they may one day be arrested and jailed when covering news in China.

In the long term, Xinhua or the Hong Kong and Macao Affairs Office, should give some guidelines to Hong Kong journalists working in China.

But this is only wishful thinking. The reality is China has not yet drafted any specific law on journalism, even though the issue has been discussed for more than 10 years. Existing Chinese laws were drafted more than 15 years ago, some even before the Cultural Revolution, and have failed to keep up with the pace of economic reform.

Group of Hong Kong Affairs Consultants Chosen

OW1104071094 Beijing XINHUA in English 0642

GMT 11 Apr 94

[Text] Beijing, April 11 (XINHUA)—A third group of 50 consultants on Hong Kong affairs is to be engaged by the Hong Kong and Macao Affairs Office of the State Council and the Hong Kong branch of XINHUA NEWS AGENCY.

A list of the names of the 50 consultants was announced here today. Included are legislative members Peggy Lam and H.C. Cheng, Lee Guo-wei, chairman of the Hang Seng Bank Ltd., and Cheng Yin-chung, director of the city polytechnic college.

An appointment ceremony for the consultants will be held here in the middle of May.

Choice of Advisers Examined

HK1204053694 Hong Kong SOUTH CHINA MORNING POST in English 12 Apr 94 p 1

[By Chris Yeung]

[Text] China has widened the scope of its united-front campaign by enlisting prominent liberals, more professionals and sons and daughters of local billionaires to serve as Hong Kong affairs advisers. Among the 50 advisers announced yesterday were leading banker Sir Quo-wei Lee, veteran legislator Elsie Tu, appointed legislator Vincent Cheng Hoi-chuen and celebrity and writer James Wong.

Yesterday's third round of invitations took to 141 the number of Hong Kong affairs advisers to Beijing. The appointment ceremony will be held in Beijing next month. Beijing officials said they would consider inviting even more to give their views on territory affairs. "We are also considering ways to strengthen the participation of advisers in the work of the Preliminary Working Committee," a mainland official said.

Eight of the latest batch are Legislative Councillors. They are Mrs Tu, James Tien Pei-chun, Peggy Lam Pei Yu-dja, Hui Yin-fat, Frederick Fung Kin-kee, Henry

Tang Ying-yen, Vincent Cheng and Tang Siu-tong. About a quarter of the lawmaking body—15 legislators—now also serve as Beijing advisers.

Unlike the previous rounds of appointments, leaders of minor liberal parties have been invited. As expected, the liberal flagship—the United Democrats of Hong Kong (UDHK)—has been snubbed again. However, Lau Kong-wah, a former core member of the UDHK who later quit the party, is on the list. As well as Mr Fung, Chang Kamun, who is the council chairman of the Association for Democracy and People's Livelihood (ADPL), joins the group. Mr Fung is the ADPL's chairman. The Meeting Point's chairman Anthony Cheung Bing-leung and two founding members, Dr Thomas Chan Man-hung and Dr Tsang Shu-ki, accepted invitations. Dr Chan and Dr Tsang are economists at post-secondary institutes.

A mainland official said the time was ripe to canvass the views of liberal elements. "They are invited because we want to have a wider spectrum of views," he said. "The closer the changeover of sovereignty, the greater the need for a wide range of views... We have no fundamental difference with the liberals. They just want a faster pace of democracy." The official, who was involved in the selection process, said it would be impossible to bring in members of the UDHK who were connected with "subversive" activities against China.

In a move that could undermine the authority of the British administration in the countdown to 1997, Beijing offered seats to some political figures with close ties to the Hong Kong Government in the past. They include Mr Cheng, Hong Kong Bank's chief economist and former member of the Government think-tank; Sir Quo-wei, chairman of Hang Seng Bank; and Nicky Chan Nai-keung, formerly secretary for lands and works.

In this round, younger members of the territory's richest families have been offered the opportunity to join politics. Among them are Richard Li Tzar-kuoi, elder son of tycoon Li Ka-shing; Anna Pao Pui-hing, eldest daughter of the late shipping magnate Sir Yue-kong Pao, and Ian Fok Chun-wan, son of Henry Fok Ying-tung. The senior Fok is now vice-chairman of the Chinese People's Political Consultative Conference, ranking as a vice-minister under the Chinese hierarchy. The three are less well-known in the political arena. Asked if their appointment was connected with their family ties, the mainland official said: "It's hard for me to answer this question."

Appointments Criticized

HK1204053894 Hong Kong SOUTH CHINA MORNING POST in English 12 Apr 94 p 6

[By Irene So and Linda Choy]

[Text] The appointment of a former United Democrat (UDHK), Lau Kong-wah, to China's advisory body was criticized as a further step to isolate the party whose previous attempts to communicate with Beijing officials

have been turned down. Describing the appointment as a "united front tactic", chairman Martin Lee Chu-ming said: "It shows the Chinese Government is continuing to isolate the UDHK in building up a united front by recruiting more democrats as advisers."

Mr Lau, a member of the Sha Tin District Board and Regional Council, resigned from the party one year ago because he was dissatisfied with the lack of communication between the central and district levels of the party. Mr Lau would not say whether his former membership of the UDHK was related to the appointment.

Mr Lee dismissed the suggestions that some UDHK members might follow suit and leave the party in order to join the united front. "Even if China wants to appoint UDHK members in future, our central standing committee may not approve it," Mr Lee said.

The newly-appointed advisers yesterday rejected suggestions that their acceptance of China's offer meant they were shifting to the pro-China camp. Many appointees said the need to improve communications with the mainland because of the deadlock over the territory's political development had prompted them to take up the posts.

Hang Seng Bank chairman Sir Quo-wei Lee, formerly an Executive Councillor said there was a need to reflect the views of Hong Kong people. Sir Quo-wei, who dismissed the suggestion that he was shifting to the pro-China camp politically, added: "It is not necessarily anti-British to become a Hong Kong affairs adviser."

Another appointee, the vice-chancellor of the Hong Kong City Polytechnic, Patrick Cheng Yiu-chung, said he believed there was no difference serving advisory groups under British rule and those under China's. "I have served on numerous advisory committees set up by the Hong Kong Government in the past 10 years or so. My students protested that they were only decorative bodies to mislead the public, but I still took the posts as long as I could achieve something. I really do not see any difference between helping the British Government and the Chinese Government," he said. Mr Cheng said it was difficult for the two countries to cooperate over political issues and more preparation should be laid in other areas of the transition.

Another appointee, former chairman of the Law Society Donald Yap, said there was a pressing need to communicate with China. But he said he had yet to formulate his own views on subjects such as the composition of the Court of Final Appeal. The legal profession has expressed strong opposition towards the Sino-British agreement on the court. As for the jailing in China of Hong Kong reporter Xi Yang, Mr Yap said Beijing should either give more details about the case or explain why it could not.

Editorial Offers Qualified Praise

HK1204060794 *Hong Kong SOUTH CHINA MORNING POST* in English 12 Apr 94 p 18

[Editorial: "The Critics' Role in Keeping Two Systems"]

[Text] Two cheers for China's new list of Hong Kong affairs advisers. By including people from the "moderate" democratic camp, including Meeting Point, the Association of Democracy and People's Livelihood (ADPL) and even the Hong Kong Bank's Legislative Council representative Vincent Cheng Hoi-chuen, Beijing has moved towards broader consultation.

A third cheer would be misplaced. The selection is better than the uncritical supporters found in the previous lists but the new list contains no consistent critics of Chinese policy. It does include a few who could be relied on to argue logically against flawed ideas in their areas of expertise. The question which almost certainly will arise, however, is would many be prepared to speak out publicly against a Chinese position? The most striking, if not surprising, omission is that of outspoken supporters of political reform. The ADPL has broadcast its disagreement with Chris Patten's attempts to broaden the franchise, as has the newly appointed Elsie Tu. Meeting Point faces both ways. Mr Cheng prefers to keep his ideas to himself. Even the appointment of former United Democrats member Lau Kong-wah appears to be a slap in the face for his old political allies.

The appointment of moderates and formerly pro-British figures is a typical united front tactic. It rewards defection and makes life in the pro-China camp seem attractive to the waverers. But as a means of effective, broad-based consultation it is highly limited. If China really wanted to know how its policies and pronouncements would affect Hong Kong, it should be prepared to approach its critics.

This may be an academic point: those members of the United Democrats China has branded subversives could hardly accept the position in the unlikely event they were approached. Even lower profile United Democrats members would regard appointment as a poisoned chalice. So polarised has opinion become, service as an adviser might be denounced as collaboration.

But China has contributed to this air of anxiety and suspicion. Had it appointed and listened to all shades of opinion from the start, it would not now be faced with such hostility and distrust.

It should rethink its approach, declaring itself open to all opinions. Hearing the views of people who are prepared to say only what they think Beijing wants to hear does not advance China's understanding of the complexities of Hong Kong society. Appointing democrats as advisers might be counter-productive. But inviting critics to give their views—and listening to them—might help heal

some of the wounds of the past five years. It might also lead to more balanced, less confrontational policy—for the good of Hong Kong.

One reason for listening to all shades of opinion is to prevent the further erosion of confidence in the concept of "one country, two systems" after 1997.

Liberal lawyers were shocked at Duanmu Zheng's recent prediction that the common law system would gradually disappear. The Vice-President of the Supreme People's Court of China and former Basic Law drafter said judgments based on precedent, instead of the available evidence, relied too much on the British system. He praised the mainland system as simpler.

Coming from a man of such influence, the remarks were seen as a threat. The subtext read into his statement was that the independence of the judiciary enshrined in the British legal system (as well as the Joint Declaration and the Basic Law) would be phased out with it.

Among lawyers appointed as Hong Kong affairs advisers, a different view prevails. A gradual change is seen as inevitable. Chinese company law is already copied from Hong Kong law. Given the relative maturity of the two systems, it is likely Hong Kong law will continue to influence China more than the other way round.

The opposing views are not mutually exclusive. It is possible for Hong Kong to influence mainland law without preventing the dismantling of local judicial independence. Phasing out the reliance on precedents would make political manipulation easier, but not inevitable. Other former British colonies have stopped relying automatically on English legal precedents, often following instead the thinking behind relevant judgments in other common law jurisdictions. What matters is not the English system per se, but judicial independence, the presumption of innocence, and the maintenance of the rule of law over the arbitrary "rule of man".

By listening to all shades of opinion, Beijing could help assuage local fears of political manipulation. Consulting only those prepared to give China the benefit of the doubt will increase the suspicion and fear among those it still excludes.

'Analysis' Examines Beijing's 'Ploy'

HK1204063694 Hong Kong EASTERN EXPRESS in English 12 Apr 94 p 2

[("Analysis" by Political Editor Chip Tsao: "Power Pagoda Is Not Immune to its Own Divisions")]

[Text] China made another move yesterday to tighten the web of tungzhan - the Maoist ploy of producing a so-called united front—by appointing another batch of 50 Hong Kong affairs advisers. With this "magic weapon", as Mao proudly put it, the Communist Party conquered the Kuomintang and won the civil war. This

time the Chinese used it on Chris Patten, yet whether it still functions as convincingly as it did 50 years ago looks less assured.

The most remarkable feature of the latest round of the united-front battle is the winning over of 15 legislators—a quarter of those who sit under the dome of Hong Kong's legislature. Beijing also claimed the trophy of one former Hong Kong government civil servant, although the names of the most precious—John Chan, former secretary for education and manpower, and Yeung Kai-yin, former secretary for the treasury—are still missing. It has been reported that they declined offers to become advisers.

As the 1997 handover approaches, the strength of Beijing's united front seems to be growing impressively. Beijing has managed to build a pagoda of a powerbase, which is designed to make every inhabitant happy. While the professions of all these members—ranging from pig farmer to retired Supreme Court judge—remain comparable to those in Canterbury Tales, the political message is clear.

The district affairs advisers form a grassroots base, a shadow of the Hong Kong government's district boards and regional councils. On top are the Hong Kong affairs advisers, who comprise an impressive number of politicians, businessmen and academics. One stair up from that is the more ambitious Preliminary Working Committee (PWC), a group of 30 Hong Kong members rumoured to be the pool of rising stars from which the potential future chief executive of the Special Administrative Region (SAR) is to be chosen. Apart from these new residents, there are the supposedly more respectable veteran patriots: the Hong Kong deputies of China's National People's Congress (NPC) and the Chinese People's Political Consultative Conference. Not only does this huge institutional structure provide the training ground for the post-1997 power struggle among locals, it also enables Hong Kong people to glimpse the cumbersome bureaucracy of politics in the SAR.

The solicitor and NPC deputy Liu Yiu-chu is not the only one to be openly bitter about some former colonial servants, such as Sir S Y Chung, who has jumped the "patriotic" queue to become a Hong Kong affairs adviser. Asked what he could achieve as a Hong Kong affairs adviser, David Chu, an electrical engineer and businessman trained in the United States, complained that much "advice" he offered fell on deaf ears. Henry Fok, a top pro-China Hong Kong tycoon, said humbly that he was too "lazy" to participate in much work. Wu Kang-min described his own performance as "so-so". "The title of Hong Kong affairs adviser was little more than that of a British gong," he said.

But a British honour is still not quite the same thing. The Queen is always less generous about giving too many away at one time, knowing that the value will slip if the market is flooded. Many PWC members and Hong Kong affairs advisers, such as Rita Fan and Lau Wong-fat,

have never declared their intentions to return their CBEs or OBEs—although they know it would help their political futures.

Commentators might hail China's "tolerance" in appointing a small number of moderates—notably the legislator Fung Kin-kee, leader of the Association for Democracy and People's Livelihood, and Anthony Cheung, chairman of Meeting Point. The objective is clearly to divide the democratic elements in the Legislative Council in order to, as Mao said, "unite the great majority and conquer the tiny minority"—the "tiny minority" being Martin Lee's United Democrats. Such a divide-and-conquer ploy could indeed turn into a double-edged knife. Liu Yiu-chu has already caused enough division within the troops of the united front.

People like Fung and Cheung, with their eyes fixed on the 1995 Legco election cannot afford to behave in too obsequious a manner towards Beijing. That might look offensive to the electorate. The result is they will blow the fresh air of democracy by speaking for Hong Kong's interests in the group. This, in turn, will have an effect upon the others, who might join the race to be seen as outspoken. The Xi Yang case is one example. Tam Yiu-chung's call for a cap on Chinese speculation in Hong Kong's property market is another. And there will be more.

Even those who prefer to say what Beijing loves to hear are now giving their future master a dose of trouble. Some PWC members "advised" Beijing to ask civil servants to biao-tai—declare one's position before 1997—but this was dismissed by Lu Ping, director of the Hong Kong and Macao Affairs Office. Other proposals to add "objective standards" for returning Hong Kong emigres to re-establish their right of abode have been met with indifference from China.

So the united front does not look that united after all. It has still to be seen who is the master at playing the divide-and-conquer game, a pastime that Beijing has always accused Britain of indulging in. At least for the time being, there is every reason to believe the British are enjoying some quiet satisfaction.

Editorial Views Choice of Advisers
HK1204072494 Hong Kong EASTERN EXPRESS in English 12 Apr 94 p 12

[Editorial: "Does China Want Advice or an Echo?"]

[Text] Those with a taste for irony cannot help but notice that China has given an official advisory role to a quarter of the members of the Legislative Council [Legco]: A body it publicly disdains.

Yesterday, China announced the names of another batch of advisers on Hong Kong affairs, including a number of Legco members. Also, as expected, Beijing has appointed a couple of prominent liberals, in a significant gesture

intended to enhance the credibility of the new group and to help split the pro-democracy camp.

We would like to believe China's motivation is less cynical and more straightforward than the announcement suggests. In other words, that the Chinese government was keen to appoint a wider spectrum of members and therefore receive a broader range of local opinion.

This view would be sustainable if China had enrolled political leaders who secured the highest numbers of votes in past elections. Instead, Beijing has opted for a clutch of politicians who have never stood for office or have done so and been rejected by the electorate.

There is one significant exception to this general rule of Chinese appointments: Elsie Tu. Tu is undeniably a popular politician, who made her reputation as a champion of the underdog and as someone who was fearless in standing up to the authorities.

Idealists may believe China is soliciting Tu's advice because the government in Beijing is keen to have an outspoken campaigner hammering away from inside.

Realists are more likely to conclude that Tu has been appointed as a reward for her unflinching opposition to Governor Patten's democratic reform plans.

Here is the rub. China's appointments appear to have been made on the basis of reward for services rendered. In this case the service of opposing the reform proposals.

The appointment of Frederick Fung, the leader of the Association for Democracy and People's Livelihood and Anthony Cheung, a Meeting Point leader, appears to be even more cynically motivated. China has rightly identified the weak links in the democracy camp's chain and has employed a tactic frequently used by the rulers of the British Empire at the height of their powers.

The divide-and-rule tactic was a hallmark of British colonial policy. Chinese leaders seem to have been studying these methods and concluded that one of the best ways of weakening the democracy camp was to pick off those most likely to wobble when pushed.

Having started with the appointment of advisers who were either very rich, very loyal to China or very adept at changing sides, the government in Beijing has grown wise and realised appearances are important.

Thus, this third batch gives every appearance of creating balance. The clutch of liberals are joined by a number of establishment politicians and some respected professionals.

Yet, are there any signs the Chinese government really wants to receive Hong Kong advice from a genuine cross-section of the community? China stoutly refuses to contemplate talking to members of the United Democrats, the territory's largest political party. This is in sharp contrast to its willingness for dialogue with the Kuomintang—the Communist Party's bitter rival in the

civil war. Aside from the United Democrats, there is a large pool of people who have become involved in politics and shown their ability to understand the issues facing Hong Kong. There also are a great many genuinely independent personalities who would have much to offer an advisory body; not the least because they would provide blunt advice, however unpalatable.

China should know some of the best advice comes not from friends, nor from sycophants who are anxious to please, but from impartial sources or even enemies.

The latter have an uncanny knack of zeroing in on weaknesses which more sympathetic parties might be inclined to overlook.

Interestingly, however, some of China's most outspoken advice has come from some of its oldest Hong Kong allies, who clearly feel secure enough to speak bluntly on occasion. Some of these long-term supporters of China are firmly entrenched in grassroots organisations which provide a good sounding board for popular sentiment.

Hopefully, some of the newer advisers, appointed yesterday, will seize this opportunity to treat their new position not as a Chinese version of the British honours system, but as a serious opportunity to keep China informed of Hong Kong sentiment.

China would do itself a favour if it was prepared to cast the net wider in searching for advice but, as this is unlikely, a heavy burden of responsibility lies on those chosen to act as a bridge to the new regime.

If they dodge that responsibility by simply mouthing lines they believe their new masters want to hear, they will have much to answer for.

PRC May Restrict Eligibility for Appeals Court

HK0904052694 Hong Kong EASTERN EXPRESS in English 9 Apr 94 p 1

[By Rain Ren]

[Text] In a move that has shocked British officials, China is proposing to further restrict the eligibility criteria for Hong Kong's new Court of Final Appeal (CFA). Non-Chinese will in effect be barred from holding the three positions held by "local judges".

The Legislative Council has already refused to endorse the 1991 Sino-British agreement on the establishment of the post-1997 CFA because it allows only one overseas judge to join the other five justices who will make up the court.

Now it appears that China has an even more restrictive definition of who will qualify to serve as the three "local judges". A senior Chinese official told Eastern Express yesterday that they must be "Hong Kong permanent residents without any right of abode in any foreign

countries". This requirement is the same as that which applies to the Chief Justice, who will be the fifth member of the CFA.

China's new definition drew an immediate hostile response from a senior government official. "The Joint Declaration, the Basic Law and the Sino-British agreement on the Court of Final Appeal are very clear on this point. The words have a simple and plain meaning. If this is the Chinese view they ought to let us know through the formal channels, i.e. the Joint Liaison Group (JLG). If they would do so they would have to explain how this view could be made consistent with what the agreements actually say," the government official said.

The mini-constitution, or Basic Law, for Hong Kong after 1997 does not offer any precise definition for the nationality and residence status of the local judges. A second draft bill for the establishment of the CFA is being finalised by the Legal Department and will be submitted to the Executive Council shortly.

The Government maintains that the bill will be drafted on the basis of the Sino-British agreement, which states that Hong Kong "local" judges refers to judges who are permanent residents. They may be expatriates and no nationality requirement should be imposed.

A locally-based British official said the definition of the word "local" was a difficult and sensitive issue. We do not have a definition of right of abode and of what is 'Chinese' yet. That obviously will affect the definition in terms of judges in CFA."

The legislator Simon Ip, former chairman of the Law Society, said the attention of legislators and the legal profession would be focused on any nationality requirement for the three local judges.

Ip said that China's requirements would be unacceptable to the legal profession and to himself.

Secret Mafia Accounts Said Set To Be Exposed

HK0904052594 Hong Kong SOUTH CHINA MORNING POST in English 9 Apr 94 p 2

[By Hedley Thomas]

[Text] Secret accounts holding millions of dollars used by the Mafia to bribe Italian politicians, judges and police have been traced to Hong Kong and are set to be exposed, legal sources said yesterday. The territory has become a focal point for Italy's corruption investigators as they zero in on public figures who switched bribes from Rome to numerous company accounts in Hong Kong.

The man heading the inquiry, Judge Antonio Di Pietro, has asked the Legal Department for permission to expose the graft to a "blowtorch of scrutiny", a source told the SOUTH CHINA MORNING POST. Judge Di Pietro, who requires a constant security cordon because of his prominence and success as Italy's numero uno in the

"Clean Hands" inquiry, needs the green light from the Hong Kong Government before he can press ahead.

"A Hong Kong judge will hold a hearing in chambers soon to decide whether to grant the request to investigate company accounts and question their directors in the territory," the legal source said. "We understand that Judge Di Pietro will be visiting Hong Kong and he will attend the hearing in chambers. Lawyers in Hong Kong will have been instructed by the Court of Milan to proceed with it," the source said.

Providing the proper procedure is followed and supporting documents from the Court of Milan are all in order, the Hong Kong judge would usually grant the request under the terms of an international mutual legal assistance treaty.

A massive web of corruption spanning a generation of Italians and embroiling hundreds of elite figures including five former prime ministers has been steadily undone since "Clean Hands" was launched two years ago. The cost of exposing the graft tainting Italy's judiciary, police force, parliament and private sector has

been severe, with mob retaliations including the murder of Mafia-busting Judge Paolo Borsellino and five bodyguards.

Judge Di Pietro told an Australian Institute of Criminology conference on Thursday that his investigations were particularly concentrated in the territory where about 20 companies had been operating on behalf of Italian politicians. He said Hong Kong was favoured by politicians for holding and laundering funds, much of which was switched to the Bahamas and Liechtenstein.

Singapore and the Cook Islands have also come under Judge Di Pietro's focus as transit points for tainted cash. "We have found a common denominator in these kinds of inquiries. The utilisation of funds which were offshore or in countries with legislation that was open to this kind of exploitation," he said. He said the front companies involved were not only Italian, but also multi-nationals and other foreign ventures.

A diplomat in the Italian Consulate in Hong Kong, Davide Laceccilia, said he had no knowledge of the inquiry in the territory. Judge Di Pietro worked independently of Italy's consulates, he said.

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